



LOMBARD The real cost of labour

BY PETER RIDDELL

THE LABOUR about to price itself back into work or is unemployment doomed to rise even further? The level and direction of unemployment has become one of the most puzzling economic questions during the past 18 months...

Divergence

The previous relationships between changes in output and employment appear to have altered significantly during the last couple of years, and there has been a revival of interest in the theories connecting unemployment and the level of real wages.

Re-expansion

The rise in unemployment during the last month can be explained in this view, by an apparently home out by the stability of unemployment during the winter.

WIMBLEDON



Virginia Wade: a great display of fighting tennis.

RACING BY DOMINIC WIGAN Hope for Lady Mason in Park Top Handicap

A YEAR AGO Peter Walwyn and Pat Eddery lifted Brighton's valuable Park Top Handicap with Honey Blossom. This time they bid for a repeat by way of Lady Mason.

After the two-lengths victory of Newmarket's Richard Marsh Handicap, just over a month ago, Lady Mason then went to Epsom, where she maintained her improvement with a game third place in the £7,000 Berger Colours Handicap.

Virginia Wade triumphs over champion Chris Evert

VIRGINIA WADE scored a resounding triumph for Britain in the centenary Wimbledon yesterday, when she knocked out the reigning champion, Chris Evert, 6-2, 4-6, 6-1, in the semi-final of the women's singles.

SALEROOM Elizabethan flagons make £62,000

A PAIR of Elizabethan silver-gilt flagons, which had belonged to the family since they were made in 1601, were sold at Christie's yesterday for £62,000 in the London dealer How of Edinburgh.

Seth's persevered with its week of important Impressionist and Modern paintings and sculpture, bringing in a further £551,300 in the morning session.

BY JOHN BARRE

an easy smash and losing the game to a great Evert passing shot. But for the fourth successive time, the American's service game let her down. She double-faulted twice, was broken to love, and had lost the first set in 28 minutes.

BY ANTONY THORNCROFT

disappointments, were £20,000 for Fleury by Redon; £12,500 from Wall and Tooth for 'Cite de Paris' by Henri Laurens; and £1 for a Fernand Léger 'Proust' by the artist's studio.

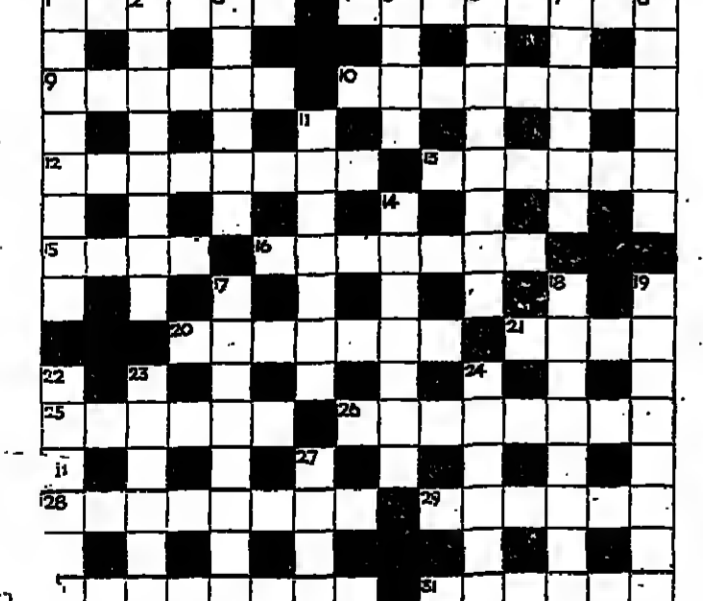
TV Radio

- BBC 1 12.00 p.m. On the Move. 1.30 p.m. News. 1.45 News. 1.55 Wimbledon Lawn Tennis. 2.15 Regional News (except London). 4.20 Play School. 4.45 Scooby Doo. 5.25 Blue Peter. 5.38 Ludwig. 5.40 News. 5.55 Nationwide (London and South-East only). 6.15 Wimbledon Tennis. 7.15 Top of the Pops. 7.40 Max Bygraves says 'I'm a Celebrity'. 8.30 Mr. Big. 9.00 News. 9.25 The Frost Programme.

BBC 2

- 11.00 a.m. Play School. 2.00 p.m. Wimbledon Tennis. 2.30 News on 2. 7.40 In Her Majesty's Service. 7.50 Belling Cinema: 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55-9.15 News Today. 9.25-9.45 News. 9.55-10.15 News. 10.25-10.45 News. 10.55-11.15 News. 11.25-11.45 News. 11.55-12.00 News. 12.15-12.30 News. 12.45-1.00 News. 1.15-1.30 News. 1.45-2.00 News. 2.15-2.30 News. 2.45-3.00 News. 3.15-3.30 News. 3.45-4.00 News. 4.15-4.30 News. 4.45-5.00 News. 5.15-5.30 News. 5.45-6.00 News. 6.15-6.30 News. 6.45-7.00 News. 7.15-7.30 News. 7.45-8.00 News. 8.15-8.30 News. 8.45-9.00 News. 9.15-9.30 News. 9.45-10.00 News. 10.15-10.30 News. 10.45-11.00 News. 11.15-11.30 News. 11.45-12.00 News.

F.T. CROSSWORD PUZZLE No. 3,418



- ACROSS 1 A bird turns to a bad actor (6) 2 The sailor in the display is a coifer (3-5) 3 Joe of a trio finds the gunner among French pals (6) 4 From Queen Charlotte's (8) 5 Optimistic point in South Africa (4, 4) 6 Curb for a newlywed about fifty (6) 7 Dane to a turn in Holland (4) 8 Knight of granite perhaps (7) 9 Generally accepted as a source of power (7) 10 Broken but animated in elegy (4) 11 Through which - shows her brightening face' (Thomson) (6) 12 One punctilious to adhere to the French right (8) 13 Allowable with one politician that's taken as read (8) 14 A set routine - it is fashionable to be in it (6) 15 Calmly submissive but no longer a member (8) 16 School charges surrounding an abstainer (6) 17 He quarrels but is high in the Honours list (6) 18 Foreign interpreter speaks Mona after a tow (8) 19 Land on fire (6) 20 A doctor's portion of the Bible (4)

GRANADA

- 11.00 a.m. Play School. 2.00 p.m. Wimbledon Tennis. 2.30 News on 2. 7.40 In Her Majesty's Service. 7.50 Belling Cinema: 8.00 News. 8.15 News. 8.30 News. 8.45 News. 8.55-9.15 News Today. 9.25-9.45 News. 9.55-10.15 News. 10.25-10.45 News. 10.55-11.15 News. 11.25-11.45 News. 11.55-12.00 News. 12.15-12.30 News. 12.45-1.00 News. 1.15-1.30 News. 1.45-2.00 News. 2.15-2.30 News. 2.45-3.00 News. 3.15-3.30 News. 3.45-4.00 News. 4.15-4.30 News. 4.45-5.00 News. 5.15-5.30 News. 5.45-6.00 News. 6.15-6.30 News. 6.45-7.00 News. 7.15-7.30 News. 7.45-8.00 News. 8.15-8.30 News. 8.45-9.00 News. 9.15-9.30 News. 9.45-10.00 News. 10.15-10.30 News. 10.45-11.00 News. 11.15-11.30 News. 11.45-12.00 News.

ATV

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BORDER

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YORKSHIRE

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WESTWARD

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ENTERTAINMENT GUIDE

Entertainment Guide listing various theatres, operas, and salerooms with their respective programmes and showtimes.



EUROPEAN NEWS

EEC fails to reach lorry rules agreement

By David Buchan
LUXEMBOURG, June 29.
THE EEC Transport Council meeting ended here today in sharp disagreement over the main items of work...

W. German weakness in demand retards economic recovery

BY ADRIAN DICKS
BONN, June 29.
THE WEST German Government conceded today that the pace of economic recovery had slackened once again during the first few months of this year...

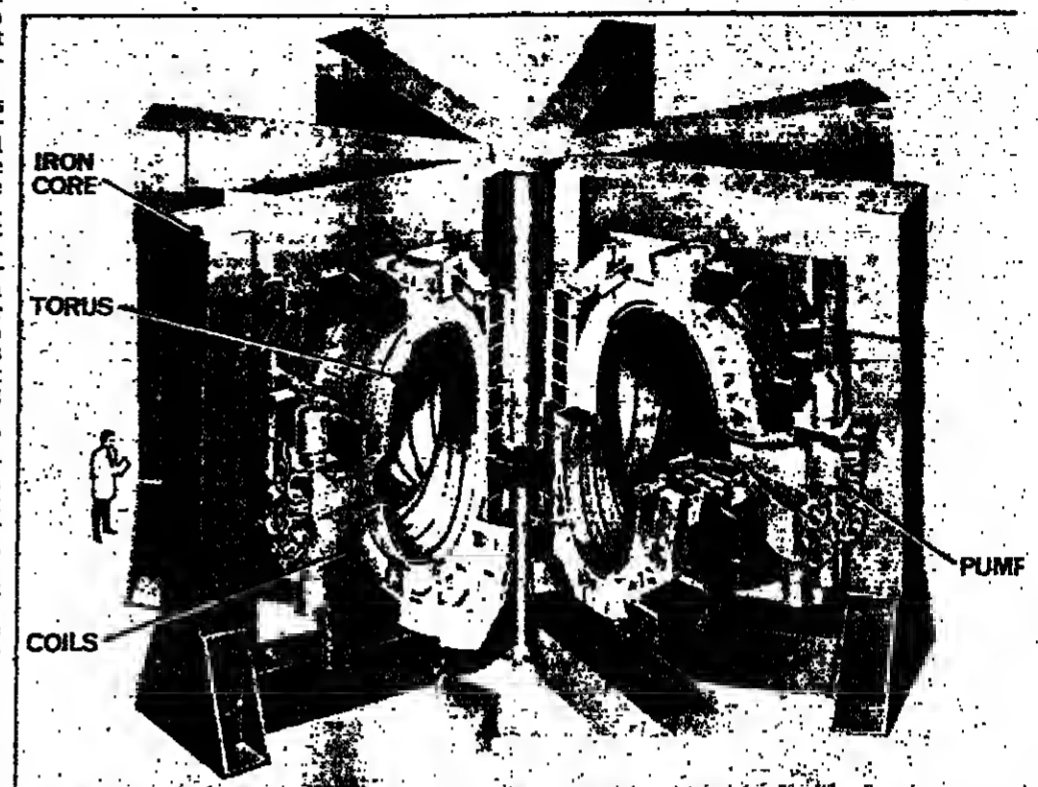
Commission likely to back U.K. herring ban

By Robin Reeves
BRUSSELS, June 29.
THREE SIGNS are that the U.K. Government will shortly have the full weight of EEC legal authority behind its unilateral ban on herring fishing in the British 200-mile sector of the North Sea...

EUROPE'S RIVALRY FOR JET Passport to the nuclear big league

BY DAVID FISLOCK, SCIENCE EDITOR

SCHEMES to explore the frontiers of science rarely and their way into the headlines to the extent that JET, the proposed Joint European Torus, has done in the past two years...



Artist's impression of the JET device, proposed as a European experiment to try to harness a new source of energy, thermonuclear fusion. The idea is to sustain conditions close to those within the sun inside a doughnut-shaped pressure vessel called the torus...

Competition Bill promise

BY JONATHAN CARR
BONN, June 29.
THE WEST German Economics Ministry announced today that it will produce a draft bill this autumn aimed at strengthening competition policy...

Worker participation law challenged

By Our Own Correspondent
BONN, June 29.
A LAST-minute legal challenge to West Germany's new worker participation legislation was launched today by a group of leading industrial companies and employers' associations...

But with the Princeton one already under construction this country is not a long way from being able to claim confidently that it is still the centre piece of the EEC's five-year fusion research programme to 1980...

Why should we want such a reactor? One thing is clear from the cost and complexity of the four devices, which are not even experimental, much less prototype reactors...

Some idea of the scale of this experiment can be gained from the facts that JET's magnet will call for the biggest coils ever wound for an electrical machine...

The lure of fusion is that it could provide a new energy source from materials—tritium and lithium—not at present used as fuel. Tritium, an isotope of hydrogen, does not occur in nature and will have to be created...

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Saudi assurance
Crown Prince Fahd of Saudi Arabia has again said that his country has no intention of imposing an oil embargo to force a settlement of the Middle East conflict...

more competition is possible. But it does not feel the time is ripe to bring in powers to break up large monopolies. It does not share the commission's view of the acquisition policy of Vebsa (in which the Government has a large stake)...

moreover, to a performance better than was specified. A light comes into Dr. Adams' eyes when he mentions JET. 56 he is still good for another major project to manage...

Table titled 'HOW THE CASH WILL BE SPENT' showing budget breakdown for the JET project. Includes categories like Power Supplies, Buildings, Auxiliary systems, etc., with a total of £120 million.



EUROPARTNERS
the strong link
for your international business

BANCO DI ROMA - BANCO HISPANO AMERICANO
COMMERZBANK - CREDIT LYONNAIS

Rebel prelate ordains priests

BY PAUL BETTS
ROME, June 29.

THE REBEL French prelate, Monsig. Marcel Lefebvre, today made his most provocative challenge against the authority of the Pope when he ordained 22 priests and 22 sub-deacons at the traditionalist seminary of Ecône, Switzerland...

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Irish union leader rejects pay deal plan

Financial Times Reporter

THE HEAD of Ireland's biggest trade union yesterday rejected in advance a pay deal plan for Dublin's incoming Fianna Fáil Government...

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Suarez finalises Cabinet

BY OUR OWN CORRESPONDENT
MADRID, June 29.

PRIME MINISTER Adolfo Suarez remained in his Moncloa Palace today studying the formation of his new Government after announcing last night that it will consist entirely of members of his winning Democratic Centre Union and be centred-left in its political line...

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Cambodia air pact

Cambodia and Laos have signed an agreement to open air links between them...

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TELEX COSTS

£30

How is the time to cut your telex costs? We have the answer... We provide the service...

EUROPEAN NEWS

Tentative accord by Italian parties

By Our Own Correspondent. ROME, June 29. AFTER LENGTHY talks stretching into the early hours of this morning, Italy's political parties reached a measure of agreement over the formulation of a joint government programme which has taken nearly four months of complex negotiations.

OECD forecasts higher growth for Belgium

By Robert Malthiner. PARIS, June 28. BELGIUM'S ECONOMIC growth is expected to be slightly higher this year than in 1976 and its inflation will be further reduced, according to the latest report on the Belgian economy published by the Organisation for Economic Co-operation and Development.

creation of new jobs and the authorities should consider the implementation of shorter working hours, and the lowering of the retirement age.

Interest payments on loans to finance the deficit alone amounted to nearly 4 per cent of GNP last year.

Critical TV broadcast by Brazil opposition

A no-holds barred television broadcast, in which Brazilian opposition leaders attacked the military Government's special powers and praised President Carter's human rights campaign, has been put on the air through Brazil despite the threat of legal sanctions, writes David White in Rio de Janeiro.

The hour-long broadcast was such a surprise for the Brazilian Democratic Movement (MDB), the Congressional opposition, since election campaigns in 1974. Radio and television in Brazil are strictly censored.

Fall in U.S. indicators sure to renew fears for growth

By Jurek Martin, U.S. Editor. WASHINGTON, June 29. THE U.S. index of leading economic indicators, which points to future trends in the economy, fell by 0.2 per cent last month.

curbed economic activity. Since then it has advanced steadily, recording a 0.5 per cent increase in April.

The technical reason for the decline was the sharp contraction in the money supply, as the Federal Reserve acted to correct what it perceived as over-expansion earlier in the spring.

Almost all the other indices of economic activity have been showing quite strongly in recent months, enough certainly to justify the Administration's contention that although real growth in the second half of the year will be more moderate than in the first six months, it will be nonetheless adequate.

Loan gives Lisbon brief respite

By Diana Smith. LISBON, June 29. THE \$750m. loan promised recently by 11 countries will briefly alleviate the crisis in Portugal's balance of payments.

Since 1973, the balance of payments has deteriorated (originally because of rising oil and material prices). The situation has been critical for two years because of loss of tourism, a vertical rise in demand for consumer goods (due to rising wages in 1975 and the influx of hundreds of thousands of refugees from the former African colonies, or emigrants suffering from the collapse of the West European boom) and a dangerous drop in agricultural and industrial production.

Since it is not enough to cure the ailments of the balance of payments further loans will have to be negotiated, including a \$50m. tranche from the IMF and \$1.5bn. from other countries — not only to correct the balance of payments but also to re-launch the economy.

Blumenthal urges export drive

By Our Own Correspondent. WASHINGTON, June 29. MR. MICHAEL BLUMENTHAL, would be about the same sum. But there have been growing doubts over the trade deficit could weaken the dollar. He was also at pains to list the special factors which were undermining so substantial a shortfall in 1977 — including the volume of oil imports, a ports worth some \$450m. this year and possibly more next year, and the fact that the U.S. economy has been underperforming most of the rest of the industrialised world.

Blumenthal urged a more aggressive export drive to counter any feeling of complacency over the magnitude of the trade deficit could weaken the dollar.

Until now, Mr. Blumenthal and other senior government officials have contended that the trade deficit is manageable, and is a prime U.S. contribution to the international need to recycle the financial surpluses which members of the Organisation of Petroleum Exporting Countries hold. West Germany, Japan, Switzerland and the Netherlands have been exhorted by the U.S. to undertake similar burdens.

Mr. Blumenthal was clearly vainly by other Administration officials.

Balanced budget goal

WASHINGTON, June 29. PRESIDENT CARTER remains committed to a balanced budget by 1981 despite projected deficits of \$48bn. for fiscal 1977, and up to \$65bn. for 1978, according to Budget Director Bert Lance.

Mr. Lance said that the bigger 1978 deficit will be due to Congress increasing the tax cut that Mr. Carter sought and passing a new jobs tax credit that he did not want.

Don't judge a car by the best it will do. But the worst.



Drive a BMW Five Series through fog, sleet, rain and snow over motorways and winding lanes for about eight hours and you'll discover all there is to know about it—good and bad.

been paid to the driver's position. He has an excellent view of the road and the sense of complete mastery over the car.

Table with 4 columns: Model (518, 520, 520i, 525), Engine, Max. Speed, Fuel Consumption, Price.

Handwritten Arabic text: "الجمهورية الجزائرية الديمقراطية الشعبية"

OVERSEAS NEWS

S. African opposition party born amid rifts

JOHANNESBURG, June 29. THE NEW South African opposition party, to be known as the New Republic Party, formed at a special congress here today, was born amid the same widespread dissension among opponents of the government which led to the downfall of its 43-year-old predecessor, the United Party.

Iran pursues cuts in labour costs

TEHRAN, June 29. THE IRANIAN Government is in the process of a major reappraisal of its policy towards labour in an effort to curb spiralling wage costs and improve industrial productivity.

Rhodesia accuses Mozambique of border incursions

WHILE ACCUSING Rhodesia of the UN of aggression, Mozambique was "cynically continuing" with its incursions into Rhodesian territory, a Government spokesman claimed here today.

Iran pursues cuts in labour costs

TEHRAN, June 29. THE IRANIAN Government is in the process of a major reappraisal of its policy towards labour in an effort to curb spiralling wage costs and improve industrial productivity.

Threat of new unrest in Pakistan

The opposition National Alliance in Pakistan yesterday presented the government with its final demands for holding new general elections in October, and gave Mr. Z. A. Bhutto, the Prime Minister, until today to reply.

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Israeli shipping pulls out of Djibouti

HAIFA, June 28. ZIM ISRAELI Navigation Company has withdrawn its equipment from the Port of Djibouti, following Djibouti's decision to join the Arab League.

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ASEAN takes strong line against protectionism

BY OUR OWN CORRESPONDENT SINGAPORE, June 29. ECONOMIC MINISTERS of the Association of South East Asian Nations (ASEAN) ended their three-day meeting here today with an expression of "grave concern" over protectionist policies among developed countries and with a call for their abandonment.

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THE UPPER HOUSE ELECTION IN JAPAN A crumbling conservative dominance

JAPAN'S RULING Liberal Democratic Party will almost certainly lose its 15-year-old absolute majority in the Upper House of the Diet at the mid-term Upper House election to be held here on Sunday week. It will not lose its ability to govern, unless the Centre-Left parties which the Government expected to cooperate with the Government after the election prove surprisingly recalcitrant. But, the election will nonetheless be a milestone in the gradual collapse of one-party conservative rule in Japan. It could also provide a pointer to a much more serious LDP defeat in the next general election.

Table with 2 columns: Party Name, Seats. Includes Liberal Democratic Party (127), Japan Socialist Party (61), etc.

India wins \$74m. Saudi contract

NEW DELHI, June 29. THE GOVERNMENT owned Bharat Heavy Electricals (BHEL) has won a \$74m. turnkey contract for the electrification of Wadi Jizan city in Saudi Arabia. The contract involves construction of a 33,000 kw power station based on diesel, establishing a transmission network and construction of four substations.

Soviet-Japanese trade growth

MOSCOW, June 29. A FEARED drop in Soviet-Japanese trade during the first quarter of this year as a result of the May 25 incident last year, did not materialise and Soviet-Japanese trade is set for major expansion.

Coal from Australia

SYDNEY, June 29. TWO Australian companies have obtained contracts worth about \$100m. to supply steam coal to a Japanese power station and the contract will be extended automatically for the life of the power station.

EEC car standards

LUXEMBOURG, June 29. THE NUMBER of EEC directives removing technical barriers to trade passed the 100 mark today when EEC transport ministers approved six new Euro-standards for cars.

Pan Am joins charter body

PAN AMERICAN World Airways has joined the Independent Air Carrier Association (IACA), the international body that represents independent charter operators in the world airline industry.

Handwritten notes: "under", "on", "ms"



# Accountancy

The challenges facing Britain's accountancy profession have seldom been greater. This survey, which appears while the English Institute of Chartered Accountants is holding its annual conference, reviews the state of the profession, and the issues likely to determine its future course.

## Under fire on many fronts

By Michael Lafferty

THE BRITISH accountancy profession is still one of the most respected and possibly the most influential of the accountancy professions of the world. British or part-British accounting firms operate or are represented in every State outside the Iron Curtain. And the British chartered accountant's qualification is still probably the most saleable accounting qualification there is in international business and finance.

troverxy over-inflation account- ing. It is not alone in being in this predicament. If it is any consolation, in the U.S. the profession is in a far worse mess. Indeed all over the world, from Anglo-Saxon nations such as Canada and Australia, to others such as France and Japan, the role of the public accountant and traditional accounting practices are under increasing scrutiny by an ever more demanding public.

The past year has not been a happy one for the British accountancy profession. As case after case of apparently ineffective auditing was disclosed mainly in a series of hard-hitting Department of Trade inspectors' reports the profession was caught napping. It ought to have seen what was coming. But it was, only after considerable Press publicity and intervention by the Department of Trade that a committee of inquiry under the chairmanship of Lord Cross of Chelsea was established to examine the discipline problem.

However, any consideration of the challenges currently facing the accountancy profession in the U.K. must begin with a look at its overall organisation.

The profession represents itself to the public and to Government through a less-than- united body known as the Consultative Committee of Accountancy Bodies (CCAB). Well over 100,000 qualified accountants belong to the six professional disciplinary powers, its defective auditing standards, its flexible accounting standards, and, last but not least, the con-

tered Accountants, the Institute of Cost and Management Accountants, and the Chartered Institute of Public Finance and Accountancy.

This means that Britain has more qualified accountants than all the other European countries put together.

The largest professional body, the English Institute of Chartered Accountants, has over 60,000 members, well over half of whom work in accounting and finance positions in industry together with almost all the cost and management accountants and certified accountants.

The public practice side of the profession is also dominated by chartered accountants operating through firms ranging from the major international firms to a very large number of sole practitioners and small partnerships.

### Tensions

In these circumstances it is hardly surprising that there are tensions—between the professional bodies themselves, between accountants in industry and those in public practice, and between the large accounting firms and the smaller.

In practice it certainly amounts to a far from satisfactory machinery for organising a profession. Indeed at the extreme it sometimes means that urgent decisions take well over six times longer to make because each body has to give its formal approval, while petty inter-professional rivalry often leads to even further delays.

Considering the problems which face the profession it would not be difficult to conclude that the administrative

*"There was therefore a crisis of credibility which is a challenge to the profession's independence. We must recognise that the challenge is serious and will be of a recurring nature. It is not confined to these shores alone. It is not confined to the auditing of large companies. It covers all aspects of the work of every public accountant. These engaged in industry, commerce and the public service are not beyond challenge."*

Mr. Stanley Kitchen, President of the Institute of Chartered Accountants in England and Wales, 1976/77.

machinery is far too unwieldy for the task of self-regulation. In short, this amounts to questioning whether there is a need for a smaller auditing body to represent the public practice side of accountancy.

For some, the division would not even end there. They claim, with some justification, that the small accounting firm has nothing in common with the big firms. Above all, it is said that most of the so-called auditing work performed by small accounting firms for smaller companies does not deserve to be called that at all, since the accountant will often have prepared the accounts himself, and the company will not have sufficient controls and records for him to be satisfied that the accounts give a true and fair view.

This is just some of the background against which the accountancy profession must make progress in the coming years. In the next 12 months the challenge will have to be met by improvements in investigation and disciplinary procedures, by codified minimum auditing standards, by continuing the programme of accounting standards, and by some satisfactory resolution of

the inflation accounting controversy. The disciplinary problem is still in the hands of the Cross Committee but a report is expected to be submitted to the accounting bodies in about August or September. Already, however, there is growing acceptance that the profession will have to have some degree of independent representation in its investigatory and disciplinary procedures.

### Tribunal

Many accountants also think that nothing less than a statutory tribunal with power to compel witnesses, subpoena evidence and impose penalties will begin to solve the problem.

But others feel that there is scope for a solution within self-regulation if the profession were to adopt the procedures of the Takeover Panel, the body set up by the City to police itself. The recent appointment of Mr. Martin Harris, former Director-General of the Panel and Cross Committee member, as chairman of the English Institute of Chartered Accountants professional standards committee may be seen as a move in this direction.

Whatever happens, there are certainly moves afoot to publicise the views of the relevant Institute committees on the behaviour of errant members.

The lack of progress on issuing relatively uncontroversial auditing standards, which would be nothing more than a restatement of what is already widely accepted practice, is puzzling. The English Institute has been issuing auditing guidance statements since 1961, and had been working on audit "standards" since the early 1970s. However, nothing had been published by the time the CCAB Auditing Practices Committee was established in February 1976 at the height of the outcry over the Doff report on London and County Securities, the fringe bank which failed in December 1973.

The APC held its first meeting in March 1976 and announced that it was going to work out statements on the auditor's personal standards, his operational standards, and his reporting standards. So far, however, not a single document has been published and nothing is expected before the end of the year.

The sub-committee, under the chairmanship of Mr. Ian Hay Davison, Arthur Andersen's managing partner, did produce a set of draft personal standards only to be told that this was not merely an auditing matter, the whole subject of accountants' and auditors' personal standards is now in the hands of the profession's ethical committees. Meanwhile, Mr. Davison has voiced his frustration by telling the public "it is nothing less than scandalous" that there is

still no rule positively forbidding an auditor from holding shares in his client. "My bitter experience leads me to conclude that, in this area at least, self-regulation has failed," he declares.

One of the main reasons for the delay in drafting the other standards has been the difficulty of making them applicable to companies of all sizes, from the sweet shop on the corner to the ICIs of this world. The problem could be resolved by allowing different audit standards to be applied to different types of company. According to True and Fair, the official bulletin of the Auditing Practices Committee, "to differentiate between the two, the auditor's report would have to make it clear which standards had been applied and this could quickly lead to misunderstanding and the application of inappropriate standards." Double standards would not only be far from an ideal solution, but also possibly illegal.

Another development which may be expected is increased use of audit committees, whereby a small committee of mainly non-executive directors is established by a company's Board to liaise with the auditor.

In the longer term, the profession will have to prepare itself for a good deal of attention from politicians, and from the Labour Party in particular.

The seeds of this are already sown. A recent study of poverty and taxation by Mr. Frank Field of the Child Poverty Action Group, and others, is sharply critical of the "tax avoidance industry" of accountants and lawyers, which it says should be exposed by the Inland Revenue.

In a separate development, a draft Labour Party Green Paper on trans-national companies, which is due to be published in the next few months, concludes that "accountants wield too stringent terms than at present" much power to be left as they are. This is therefore an important area for further study, it warns.

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HOME NEWS

Tobacco groups poised to launch substitute cigarettes to-morrow

BY STUART ALEXANDER

DISTRIBUTION of the new cigarettes containing cellulose substitutes begins to-morrow... Manufacturers were given clearance to use the substitutes by the Independent Scientific and Medical Advisory Committee (the Houser Committee) on April 1.

More people use U.K. airports

By Michael Dunne, Aerospace Correspondent

THE NUMBER of passengers using U.K. airports continues to rise. During May over 3m. passed through the seven airports owned by the British Airports Authority...

ICI plans new £7m. alumina fibre plant

BY RAY DAFTER

IMPERIAL Chemical Industries is to spend £7m. on a new plant to produce alumina fibre. The factory, at Widnes, will come on stream in the second half of 1978.

Discount markets stress City aid for industry

THE LARGE contribution the City's money markets make to finance of industry's short-term needs for working capital is emphasised in the discount market's submission to the Wilsons Committee on the City.

No date for Concorde service to Australia

BRITISH AIRWAYS is still under discussion with the Government... The problem of rights into New York also still wide open, with the attitude of the Port of New York Authority still subject to legal action in the U.S. courts.

Norton offer may break pay-out deadlock

UNSECURED CREDITORS of Norton Villiers Triumph, the Wolverhampton motor-cycle and industrial engines concern, closed some two years ago...



EEC leaders leave 10, Downing Street, yesterday after an afternoon of talks for a further session at Lancaster House. Left to right they are Mr. Liam Cosgrave (Ireland), Sig. Gianlo Andreotti (Italy), M. Tiberce d'Estalay (France), Mr. James Callaghan, Herr Helmut Schmidt (Germany), Ankar Jorgensen (Denmark) and Mr. Joop den Uyl (Holland).

Bamford is investing £6.7m. to stay ahead

By Kenneth Gooding

J. C. BAMFORD, the construction equipment group, has started a £6.7m. capital investment programme at its Rochester, Staffs, headquarters.

Scott Lithgow docks to be nationalised

BY ROY ROGERS, SHIPPING CORRESPONDENT

THE nationalisation of Scott Lithgow Drydocks and revised will entail direct assistance given to the company. The builders Independent Association...

Capital Annuities policyholders get £1.1m. under interim plan

BY ERIC SHORT

THE Policyholders Protection Board paid £1.1m. to some 3,300 annuityholders with Capital Annuities, the life company at present in provisional liquidation...

Report favours car pooling

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

CAR POOLING should be fostered to give people access to cars while reducing the actual number of vehicles on the roads, the Socialist Environment and Resources Association says in a report published yesterday.

ACCOUNTING STANDARDS COMMITTEE STATEMENT

Current cost accounting progress

THE ACCOUNTING Standards Committee has noted that a special meeting of the Institute of Chartered Accountants in England and Wales will be held on July 6, 1977, to consider the resolution that the members of the Institute of Chartered Accountants in England and Wales do not wish any system of current cost accounting to be made compulsory.

Whitehall at odds with oil companies

By Ray Dafer, Energy Correspondent

OFFSHORE OIL operators are heading for a fresh confrontation with the Government. The North Sea oil companies are openly angry that the Government's energy strategy, and more private than the other, concerns that the oil is flowing in substantial quantities.

THE Department's intransigence in shutting down a Brent Field platform until gas lifting equipment is installed has surprised the industry. Company officials yesterday said it may not have been coincidence that the directive was announced on the same day that it was revealed offshore fields were already meeting half of Britain's oil needs.

Catherwood says exports must build on success

BY LORNE EARLING

EXPORTS must build on success companies concerned where they both in terms of product and markets. Sir Frederick Catherwood, chairman of the British Overseas Trade Board, said yesterday.

Tell public of asbestos danger

By David Freud, Industrial Staff

AN EDUCATION programme is needed to convince shopkeepers and builders' merchants of the danger of white asbestos, the Consumers' Association, publishers of which, said yesterday.

Plea for North-West road works

BY OUR NORTHERN CORRESPONDENT

A WARNING that economic recovery in the North-West could be seriously delayed by failure to complete the road network in the region is given in a report published yesterday by the North-West Roads Groups.

Life line phone

LIFE LINE, a new 22-minute colour film from Post Office Telecommunications shows a wide range of telephone aids designed to help handicapped people. Produced by Pacesetter Productions in 16 mm. and 8 mm. sizes, and in video cassette format it may be borrowed gratis.

'Lutyens' house dispute ends happily

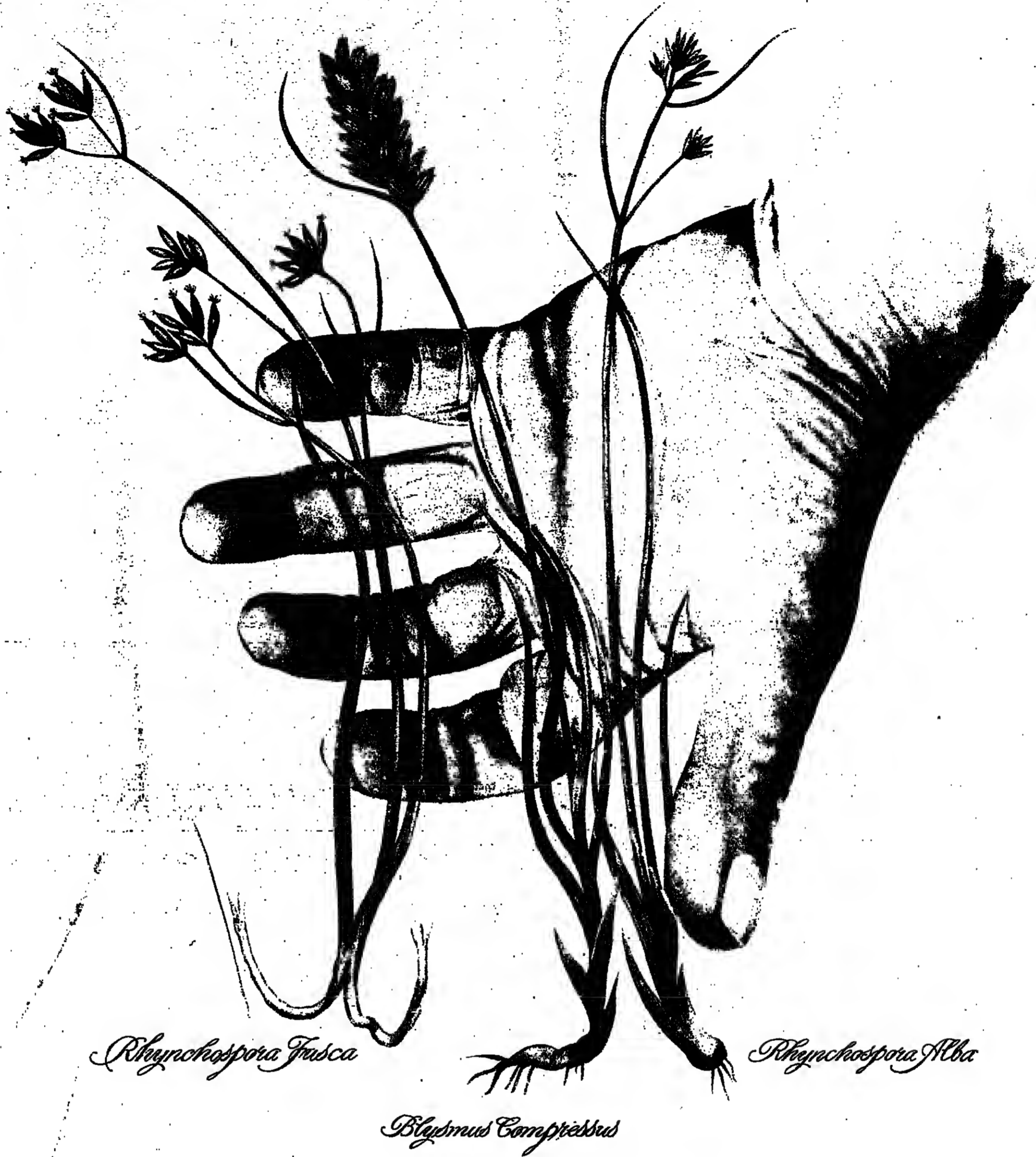
THE High Court dispute over Mr. Paul Walter's £385,000 house in Surrey was settled yesterday. Mr. Walter, a director of the building company of the same name left the court 'happy with the outcome' after a settlement on undisclosed terms.

Ministry talks on chemists' profit margins

Financial Times Reporter HUNDREDS of elderly chemist contractors are unable to sell their businesses because they are uneconomic. Yet they cannot retire because their life savings are locked up in them. Mr. Bob Worby, new chairman of the Pharmaceutical Services Negotiating Committee, said yesterday.



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LABOUR NEWS

Investment level in petrochemicals worries unions

BY OUR LABOUR STAFF

Chemical industry trade officials worried at the pace of investment in petrochemicals are to meet Mr. Tony Wedgwood Benn, the Secretary, and Mr. Eric Day, the Industry Secretary, at a meeting follows talks last night between ICI unions and company officials over ICI's plan to invest £240m. in a plastics plant at Wilhelmshaven, West Germany.

Labour force 'will grow 681,000 in four years'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE LABOUR force is projected to grow by an average 170,000 a year between now and 1981, according to the latest official estimates. This is a rather faster growth than envisaged in the previous projection 18 months ago and dims even further prospects for an early sustained reduction in unemployment.

Lost work days toll reaches 614,000

THE NUMBER of working days lost through industrial disputes is on the way up again. According to Department of Employment figures, 614,000 days were lost in May.

European group posts at EMI

The following changes within the European operations of EMI take effect from tomorrow: Mr. F. Wolawa, acting managing director, EMI Electrola GmbH, becomes managing director of that company; Mr. R. Lendvai, managing director, EMI Records (Switzerland) AG, is to be director of Leisure Developments (Continental) and Mr. G. Delez, general manager, EMI Records (Switzerland), will be acting managing director of that concern; Mr. J. Fritsch, formerly managing director, Fone Denmark, remains a director of that company and has been appointed deputy chairman of the Fone group; Mr. B. Bjart, deputy managing director, Fone Denmark, takes over as its managing director with additional responsibility for Fone Sweden and Norway.

Decision to-day on Ford peace bid

By David Churchill, Labour Staff

REVISED peace formula to end the crippling 18-day Ford dispute, which has cost the company an extra £45m. worth of production, will be put before a meeting of 4,000 car assembly workers at Paganham this morning.

Jenkins fears 3m. workless

BY OUR LABOUR STAFF

A FORECAST of 3m. hard-core unemployed by the mid-1980s, as a result of long-term structural changes in the economy, was made yesterday by Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs.

Engineers win 15% increase

By Our Labour Staff

A 15 PER CENT wage increase has been awarded by the Central Arbitration Committee to about 1,300 engineers in managerial grades at the Rolls-Royce and Associates Company, Derby.

Bank's services explained

A NEW guide to business services, designed for small and medium-sized companies, has been produced by Williams and Glyn's Bank.

Strike ends

A STRIKE by 130 engineers at the Rolls-Royce aero-engine plant at Hillingdon, Glasgow, ended yesterday after ten days.

Worker-participation study urged

BY OUR OWN CORRESPONDENT

THE EUROPEAN dimension of worker-participation should be considered fully before the U.K. Government rushes into unnecessary legislation, Mr. Basil de Ferranti, chairman of the EEC economic and social committee, said yesterday.

Beer drinkers attack lager price

EXOTICALLY-named lagers are among the weakest brewed in Britain. And yet they are sold at prices higher than some of the strongest beers, the Campaign for Real Ale complains to-day.

Councils oppose poisons plant

TWO COUNCILS and 700 villagers have objected to the planned £1m. poisons waste processing plant at Kibblesworth, near Gateshead.

Councils oppose poisons plant

The high profits, which the brewers admit, are used to build new breweries. But the modern beer factories are unnecessary, CAMRA claims, and will cause the closure of existing breweries and the death of traditional brews.

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Ekofisk Processing Facilities Norse Gas A/S Oslo, Norway owned by The Phillips Group consisting of Phillips Petroleum Company Norway American Petroleum Exploration Company of Norway DM 100,000,000 - 7% Bonds of 1977/1989







A light wave revolution

BY MAX WILKINSON

SIR WILLIAM RYLAND, Chairman of the Post Office, picked up an ordinary telephone yesterday and sent his words along a beam of light nine kilometres long to the Department of Industry's Under-Secretary, Mr. Bob Cryer, MP.

A new fiscal yardstick

THE Institute for Fiscal Studies is beginning, in its own area, to provide the kind of non-partisan policy analysis which many people have wished to see from a British version of the Brookings Institution.

The idea of striking a high employment budget balance is not new, for it is normal practice in the U.S., Germany and the Netherlands, among other countries; and it is a technique which was strongly endorsed in the recent report of the OECD's Wise Men.

There remain some real difficulties—and a quite incidental advantage which may prove decisive. The basic problem is to define the high employment level against which plans can be measured.

In an ideal world, a cyclically corrected yardstick of this kind would clearly be helpful. It is common ground between the contending economic schools that a public deficit is appropriate in recession years.

Training the young unemployed

THE Government has accepted, as expected and after only six weeks, the proposals put forward in a special report by the Manpower Services Commission for extending and rationalising the emergency measures already in force to provide further training and work experience for young people unable to find permanent work.

The MSC working party was originally asked to devise a scheme under which all school leavers between 16 and 18 who were unable to find a job should be offered an alternative opportunity. They did not go quite this far, because of the costs involved and pointed out that it was not urgently necessary to provide temporary opportunities for the large proportion of school leavers coming on to the unemployment register in the summer months who would find work within a month.

Although it has been accepted by the Government so promptly, this is mainly to enable the necessary planning to go ahead. It will not be fully in operation until September of next year, and the MSC expects the number of young people without work to be high by historical standards until at least 1981.



£150bn. The British system, which is the third largest in the world after that of the U.S. and Japan, absorbs an investment of £2m. a day. Even at that rate, it will be well into the next century before all exchanges are fully electronic.

MEN AND MATTERS

Skurnicks rejoice Much rejoicing in Ilford, Essex, yesterday over the achievement of the Skurnick stockbroking family in New York. For 47-year-old Myrna Skurnick, married a British subject though married to an American broker since 1963, is to become the first foreign woman with a seat on the New York Stock Exchange.

All a great source of pride to Juliet Ettinger, back in Ilford, who is Mrs. Skurnick's older sister. "She's a bright girl," declared Mrs. Ettinger, recalling that her sister had started out as a shorthand typist on the old News Chronicle (where she harboured unrealistic ambitions to be a journalist) before deciding to sail off to New York.

Officially the time was spent on weighty discussions of the future of the JET nuclear project, Britain's budgetary contribution, an account of President Brezhnev's recent visit to Paris and other suitable lunch time topics.

Parliamentary perks

British MPs may not be much richer after yesterday's strictly within-the-limit pay rise offered by the Government. But they may be able to keep a little cleaner as they work notoriously arduous hours.

Following a renewed batch of complaints after last week's sweaty all nighter on the Price Commission Bill, Michael Foot, Leader of the House, has promised a quick start to work on a fourth bathroom for the use of the Commons' 604 male MPs.

Meanwhile, in the Dublin parliament, the electoral landslide that swept Jack Lynch's Fianna Fail party to power was of such record proportions that there are not enough seats to go around on the Government benches on the Dail.



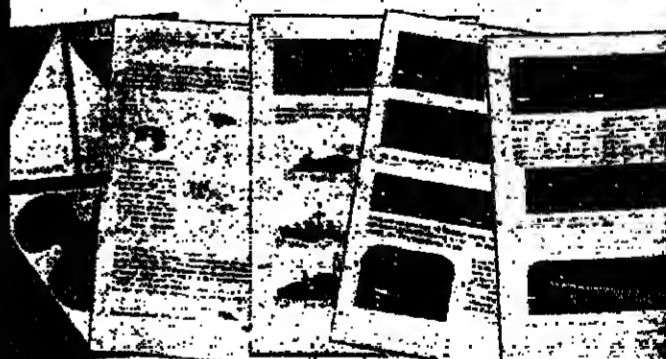
lines from tower to tower (the Post Office Tower in London is the best known). And in future it will be sent underground along a specially made drainage pipe or duct called a waveguide, a British Post Office development still in its experimental stages.

These rather technical points help to indicate the fundamental change which is beginning to overtake the telecommunications network, the conversion of speech rhythms, music and even television into a high speed series of pulses.

The great advantage of optical fibres is that they are strong enough to be run into ordinary ducts and so small that a very large number can merely be carried without enlarging waves into exactly equivalent the existing holes in the ground.

Because of the lightning speed of this operation network is not in general as good as the comparatively leisurely oscillation of sound waves, a large number of conversations can be processed at the same time.

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attempt to impress them with British austerity. Fitzgerald himself was on good relaxed form as he left a man making his last appearance as Foreign Minister, although the world is that he is likely to take over leadership of the recently defeated Fioe Gael party from Liam Cosgrave.

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Observer

# FINANCIAL TIMES SURVEY

Thursday June 30 1977

Free from the past



# Algeria

Under the leadership of President Boumedienne, Algeria has gone a long way towards creating a just society and building up a self-sustaining economy. On the debit side are a number of foreign relations problems that still need solution.

By Robert Graham, Middle East Correspondent

FIVE YEARS ago a visitor to Algeria, as a preliminary to any discussion, was treated to a lecture on Algerian history. It was standard practice to be told about the bitter struggle for independence from 1954 to 1962, the extent of French colonial exploitation and the mistakes of independent Algeria's first President, Ahmed Ben Bella. This was accompanied by an exposé of Algeria's view of imperialism, its commitment to anti-imperialism and support for Third World liberation movements. It was a nation with a strong sense of purpose but full of complexes, with a compulsive need to prove itself to the world and to establish its own cultural identity in a psychologically confusing situation created by being both Arab and African, Muslim, Islamic and socialist.

The past still hangs heavy. Indeed it is vital for a real understanding of present day Algeria. But Algerians no longer feel such a need to explain and justify themselves. Algeria is much better understood internationally. The inherent suspicion of, and hostility towards, a professed official anti-imperialist state on the Mediterranean by the return powers has largely disappeared—replaced, on both sides, by a more mature understanding of what each is trying to do. For instance ten years ago many in Europe were sceptical of Algeria's desire to be a sovereign and independent nation. The country was considered the Soviet base, and Algeria has the U.S. as its main trading partner. There is also much greater

self-confidence, stemming from achievements inside the country. After a decade of heavy investment, the signs of progress are becoming visible. Socialism has not been merely an article of faith: at least some of what has been preached has been put into practice. The state ownership of the means of production, social inequalities are not disguised, but corruption is limited, unlike the majority of Arab countries and most of the other oil producers. The nation's money is not being siphoned off for the benefit of a ruling elite, independence and Algeria's time and the situation, which shows no sign of solution, could escalate into a war with Morocco. This is a major destabilising factor for the Maghreb and of serious concern to Algeria which, of course, is the chief sponsor of Polisario.

## Defensive

The one area where people seem defensive is when reproached over the role of women, attempts to increase the influence of Islam, and the use of Arabic. The emancipation of women suffers still from a conservative view of the family and the authorities' premium on the importance of Islam in national culture, language and religion. The basis for nationality, suffered enormously under colonial rule and, though President Boumedienne is often criticised for emphasising Arabic and Islam,

it is equally hard to see a median way of creating a cultural identity. Thus the approach often appears two steps ahead and one back. It is drawn up in French that Arabic is the national language.

Currently, there is a wounded feeling of isolation at the way the Arab world has refused to support Algeria in its commitment to Polisario in the latter's struggle against Morocco and Mauritania to establish an independent State in the former Spanish Sahara. Externally the Saharan issue takes up most of Algeria's time and the situation, which shows no sign of solution, could escalate into a war with Morocco. This is a major destabilising factor for the Maghreb and of serious concern to Algeria which, of course, is the chief sponsor of Polisario.

The other preoccupation, though little discussed in public, is the international credibility of its economic policies. The Algerian Government is staking its long-term economic viability on the success of selling large quantities of liquefied natural gas (LNG), mainly to the U.S. By 1985 Algeria expects LNG sales to have surpassed receipts and looks forward to being the world's leading LNG exporter. Oil revenues, based on known reserves and current planned rates of production, are unlikely to last more than 18 years. Oil has been the backbone of economic development, thus the gas sales are vital to sustain foreign exchange receipts. But

to develop the gas, Algeria is incurring a heavy foreign debt, with a debt service ratio touching almost 25 per cent. by 1982 before—it is hoped—declining. Officials believe that the ultimate guarantor for the economy is world demand for energy and the continued relative cheapness of both crude oil and LNG compared to alternative sources. Undoubtedly the changed attitude of the new U.S. Administration is a big boost for the Algerians in this respect. But the path is unlikely to be smooth. The powerful U.S. Federal Power Commission has been slow and reluctant to grant approval for LNG sales to the east coast. Technical problems with the complex liquefaction plant cannot be ignored either.

Algeria has a comparatively short time span to achieve economic take off from the cushion of hydrocarbons. LNG sales are unlikely to be an important source of revenue much after the year 2005. Conscious of this the Government has begun a major reassessment of priorities. It is now admitted, for instance that the priority given to industry has been at the expense of social development, economic infrastructure and agriculture. Serious imbalances have occurred which need to be rectified. The Press is now quite open about the overcrowding of urban areas, the need to improve the quality of life and the difficulties many ordinary

families face in making ends meet. A recent survey pointed out that an average family's monthly earnings was over \$200 short of covering essential needs. What it did not say was how this gap was made up—by moonlighting, relying on small addles, perks or, for the less fortunate, simply by greater hardship. Perhaps it was no accident that this survey coincided with the clandestine distribution of a pamphlet prepared by an exiled opposition group headed by Mr. Mohammed Boudiaf (one of the so-called historic leaders of the independence struggle), giving similar figures. Inflation running at just over 10 per cent is disguised by commodity subsidies and shortages of essential goods (subsidised coffee and sugar are smuggled to Morocco and Tunisia), and small wage increases that are made up through perks.

## Margin

Solving the problems is not going to be easy, particularly if President Boumedienne does not wish to go against the socialist principles laid down in the constitution. Unlike its fellow oil producers in the Middle East, Algeria does not have a revenue surplus to allow an efficient welfare state. The margin of manoeuvre is further limited by the exceptionally high birth rate. Algeria's 17m population is increasing by 3.34

per cent. each year, one of the highest natural increases in the world, with over half the population under 20—increasingly articulate and conscious of the aspirations of a modern consumer society. The major cabinet reshuffle in April was clearly an earnest indication that President Boumedienne intended to tackle these problems. The breaking up of Mr. Belaid Abdessalam's empire at the Ministry of Industry into three separate ministries and the stiffening of other portfolios such as housing with well proven men, can be taken as a change of emphasis. Mr. Abdessalam, the man most closely associated with Algeria's economic policy for over ten years, especially industrialisation, has been moved to light industry. This must be seen as a demotion of sorts, although President Boumedienne's advisors deny this, saying he still enjoys the President's confidence.

The cabinet reshuffle—arguably the most important since President Boumedienne came to power in 1965—must also be seen in a purely political light. Not only was the most powerful economic figure seemingly downgraded, but also two key military personalities were switched. Colonel Ahmed Draïa was moved from the Ministry of the Interior to Ministry of Transport, and Colonel Ahmed Bencherif went from head of the para-military gendarmerie (the best organised force in the country) to a newly created Ministry of Water Resources. July

To outside observers it looked very much as though the three most important alternative sources of power were being broken up. Yet this is probably too simplistic a view. The change, which took several months of negotiations, must be seen against the background of the intricate interplay of forces and personal allegiances that has been going on since 1965. Only rumour has come out of these negotiations.

The inner workings of power remain very secret in Algeria. If the direction of President Boumedienne's policies were in any way under challenge, he has certainly emerged even more as leader of the country. The reshuffle did not fill the post of Prime Minister or Defence Minister, both of which he still holds. His authority as chief executive, moreover, was endorsed in the constitution approved last November. The constitution also confirmed the movement away from the principle of "collegial responsibility," as symbolised by the Revolutionary Council. This body was formed at the time of Ben Bella's overthrow to unite all the diverse elements who combined to depose the former President. Through exile, death or suicide the 26 original members have dwindled to nine. Its role as a monitor of the principles of the Algerian revolution has been rendered obsolete by the national charter—a 190 page document outlining the country's ideological guide-lines and development policy approved by referendum last

The obsolescence of this body, which once conceived of President Boumedienne as being merely first among equals—deriving his title from the fact that he was the senior member of the Revolutionary Council and not the elected head of state—is eloquent testimony of the evolution of Algeria's institutions. The country now has a constitution which vests supreme authority in the President but gives no proper juridical basis to the Revolutionary Council. The constitution was the culmination of a slow process of institution building begun by President Boumedienne over eight years ago with the election of new local councils, then proceeding through regional assemblies to the reactivation of the National Assembly.

The one thing missing is a Congress of the single party, the FLN, and which, according to the constitution, must follow the adoption of the constitution. Since the dismissal of the party secretary, Mr. Kaid Ahmad, more than three years ago the party has tended to drift. Though every single national action is carried out in the name of the party, its strength has become more apparent than real.

## Congress

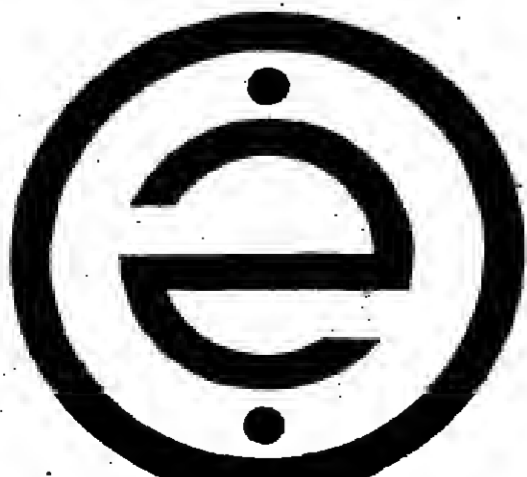
No date has been fixed for the Congress, though officials say it will be held next year. The more disenchanted Algerians say the leadership has been intending to hold the Congress for over seven years and will, therefore, only believe in it when it happens. Clearly President Boumedienne is anxious to avoid the opening up of old sores which are still not fully healed—such as the role of the military in running the country, the right of the "historic figures" to dictate policy, the direction of Algerian socialism and the fate of Ben Bella (still under house arrest near Blida outside Algiers). For this reason he is likely to move cautiously. But the longer the Congress is delayed the more it will raise doubts about the party's viability as a political force. Moreover, only when this assembly has been convened will it be possible to say that Algeria has closed the last page on the first revenue surplus chapter of the country's history.

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البنك  
الجزائري

ALGERIA II

# Economic guidelines under revision

A CHANGE in the position of the man most closely associated with Algeria's industrialisation—the central plank of the country's development policy—inevitably raises questions. Mr. Belaïd Abdessalam has been Minister of Industry and Energy for over ten years until the Cabinet reshuffle in April. He was, without doubt, the most formidable and dominant ministerial figure concerned with the economy; and while he ran the Ministry investment allocations for industry accounted for a good 50 per cent. of total investment outlays. Moreover, it was he who was largely responsible for drawing up the economic part of the National Charter, Algeria's ideological guidelines and development aims approved by referendum last year.

Against this background the Cabinet reshuffle and Government reorganisation in April has acquired major significance. President Boumedienne chose to split the Ministry of Industry into three separate portfolios—energy (oil and gas), heavy industry and light industry. Mr. Abdessalam has been given the portfolio for light industry. The other two new ministerial posts have gone to men with enormous experience in their respective fields. Mr. Sid Ahmed Ghazali became Minister of Energy, having presided over the national hydrocarbons concern, Sonatrach, virtually since its creation; and Mr. Mohammed

Liasine became Minister of Heavy Industry, having had similar experience for more than ten years with the national steel company, SNS. These changes, coupled with the strengthening of several other ministries, caused a flurry of speculation, both within Algiers and outside, which has not wholly subsided. As far as the economy is concerned, the changes pose two main questions. Is this the sign of a major change in the direction of economic policy? Is this an implied criticism of Mr. Abdessalam's exceptionally strong emphasis on industrialisation, in particular on high technology capital-intensive industry?

What has happened, it seems, is that President Boumedienne has decided to carry out an important mid-course correction without a complete change of tack. The basic objectives set forth in the national charter remain unaltered—namely that Algeria is aspiring, through State ownership of the means of production, to expand its productive base to achieve self-sustained growth with an exceptionally high level of investment, and to achieve a maximum degree of economic independence. The change is one of approach and method, which with time could become more pronounced.

Senior advisers to President Boumedienne say that the time has come to "digest" the consequences of almost a decade of rapid development, especially

in the industrial sector. (Since 1968 GDP has risen from \$9.5bn. to \$14.4bn. in 1976, with last year's growth averaging 11 per cent.) The second four year plan is due to be completed at the end of this year, and Algeria has now acquired—at considerable strain to other sectors—the basis of an industrial infrastructure which will help to diversify the economy away from its dependence upon hydrocarbons. The advisers argue that it is essential to examine the results and see what can be learned before proceeding further. It is no accident that next year will be officially regarded as a "year of pause," with the next plan being formulated from 1979.

### Concern

The main concern is to remove the sectoral imbalances that have arisen and to improve economic management at all levels. Officials freely concede now (something they would have been reluctant to do even two years ago) that the sectorial imbalance has been the direct result of the concentration on industry. Even in 1974 when the second plan was revised to accommodate the 1973 oil price rises, with annual receipts going from \$1.7bn. to \$4bn., industry still got the lion's share.

For the first time last year signs of concern that non-industrial investment was too low. The 1976 budget held in

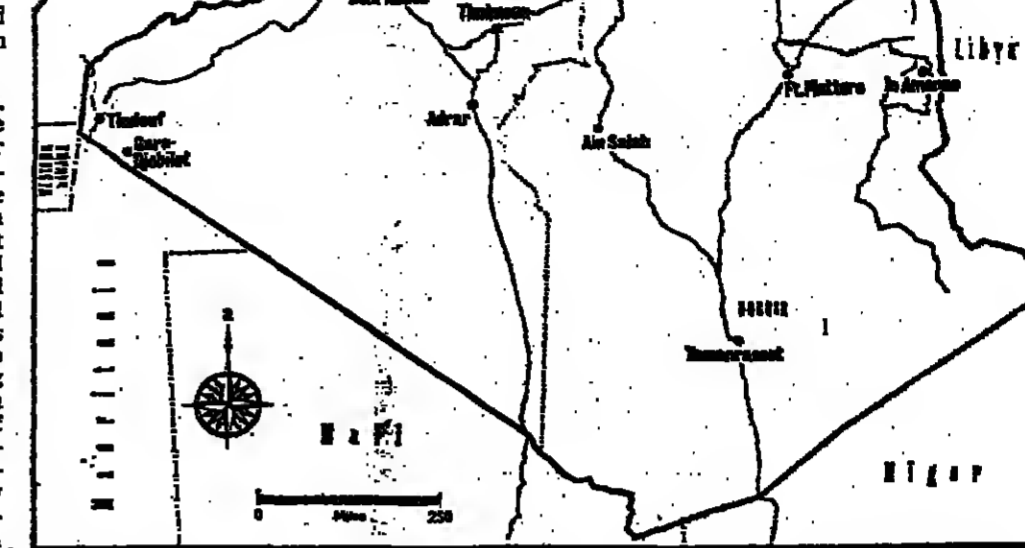
dustrial investment steady at \$3.2bn., while non-industrial allocations rose from \$2.3bn. to \$3.4bn. Although the 1977 budget envisages a sharp increase in overall outlays—the development budget rising 87 per cent. to \$2.9bn., and the State enterprises budget 44 per cent. to \$6.1bn.—this trend is more pronounced. Previously neglected areas like housing, urban and rural development and transport have been singled out for sharp injections of funds, while new emphasis has been placed on education and agriculture.

Unlike other Middle East oil producers, Algeria could initiate large-scale industrialisation without having to concentrate on social and economic infrastructure. The French colonial investment in roads, transportation, ports, housing, sewerage and electrification had been sufficient to allow the Government to concentrate its energies elsewhere. However, the cumulative effect of relying on existing structures has been a gradual decline in urban living standards—overcrowding and a dramatic housing shortage, with all its attendant problems, plus increasing pressure in the rural areas where aspirations have been aroused for higher living standards. Added to this has been the impact of Algeria's high birth rate. The population, which now stands at over 17m., is increasing at an annual average of 3.34 per cent., the highest natural rate in the Middle East,

with 56 per cent. under 20 and almost half the population under 15 years old.

As a result of these pressures, there has been a sharp increase in allocations especially for housing and transportation. Investments budgeted for State enterprises concerned with transport have increased almost 100 per cent. to \$685m., and State enterprises concerned with urban housing have had their investment budgets raised over 200 per cent. to \$620m. this year. The Housing Ministry itself has also been stiffened by the appointment of Colonel Aouchiche, who acquired the reputation for efficient management of military construction. Thus the composition of investment has begun to change. In the two-year period 1974 and 1975, non-industrial sectors accounted for 40 per cent. of the total. By the end of 1977 this percentage could be as high as 52 per cent.

Within the industrial sector more emphasis will be given to light industry, both to satisfy an increasingly heavy demand for locally produced consumer products and to ensure that full benefit is derived from the heavy base industries. As for agriculture the Government is still concentrating its attention on the "socialist sector." This comprises the so-called self-managed farms (the best land taken over by the peasants in 1962 when the colonels left) and the co-operatives. Abroad Algeria has been frequently



criticised for devoting too little attention to agriculture. But the problem is less one of investment than management and organisation, coupled with a comparatively low level of effort to modernise traditional methods in the private sector, which still holds the bulk of land in small holdings. (The socialist sector is covered virtually 100 per cent. by fertilizer inputs, the private sector only 12 per cent.) Equally significant has been the recognition of the need to improve economic management and planning. So far there has been a great deal of wastage and inefficiency. The relationship of the myriad State companies back among themselves and to the banks and Treasury remains ill-defined; their financial structures are weak; the bigger companies are becoming bigger and enormously cumbersome, such as Sonatrach. The yardstick for measuring the validity of projects has often been a confused mixture of the desire for economic independence and the need to satisfy a number of social and political considerations, such as providing jobs in rural areas or providing the hinterland with modern industry. There is no coherent strategy on the use of Algeria's scarce resources. Water is exceptionally scarce yet factories have been established without real long-term consideration as to whether the water used industrially could be better employed for irrigation (so raising agricultural productivity). Industrial productivity has been patchy. One senior official conceded that productivity was as low as 40 per cent. of capacity in some plants. There has been no attempt to relate wages to productivity. Rather wages have reflected the scarcity of skilled labour and the prestige of certain companies. As a result considerable disparities exist, both within specific sectors and different companies, between the civil service and industry, the small private business sector and State companies and between regions. A new policy towards wages is the central topic now being discussed by the Council of Ministers.

service ratio of over 15 per cent. According to the central bank, the debt service ratio this year could reach 18 per cent., while the World Bank projects this percentage to reach beyond 20 per cent. by 1980. Some estimates predict the debt service ratio going beyond 24 per cent. before it begins to decline around 1985.

This scale of debt service raises the inevitable question whether Algeria is placing too heavy a burden upon itself. International bankers raise the spectre from time to time of Algeria becoming like Mexico, or worse like Zaire. The Algerians themselves are acutely conscious of such thinking, but they are going ahead with the development of their gas reserves—the largest outside the U.S. and the Soviet Union—in the belief that the international market needs gas. The Algerians also realise that lng and gas sales are the sole means of ensuring a substantial inflow of foreign exchange through the turn of the century when crude sales can no longer be relied upon. As it is hydrocarbon sales account for 90 per cent. of Algeria's \$3.3bn. worth of exports; the only other source of foreign exchange being workers' remittances, currently worth \$200m. a year, and limited agricultural sales.

Algeria is counting on being able to sell some 70bn. cubic metres of lng a year by 1985, \$5.3bn. against crude sales making it easily the world's largest lng exporter. The ultimate success of this plan hinges upon the evolution of the price paid for lng. From the Algerian point of view there has been an encouraging change of attitude by the new Carter administration in calling the attention both of U.S. consumers and of the industrialised world as a whole to the growing shortage of traditional energy supplies.

The most tangible sign of a change of heart in the U.S. towards accepting the principle of U.S. purchase of large quantities of Algerian lng has been the recent waiver of the ceiling on imports from any one country (28bn. cubic metres a year). Algeria plans to sell over 40bn. cubic metres a year, or 60 per cent. of total annual sales, to the U.S. Algeria still has not wholly dispelled political objections within the U.S. on being a potential "risk" as a supplier. But this issue is probably a diminishing one, and it is more a question of being able to have their lng landed at a competitive price on the east coast. Over the past eight years the price has moved from \$0.30 per million btu to \$1.40. In spite of all this it is worth stressing that only one U.S. contract has been unconditionally approved—with El Paso—representing less than a quarter of total planned U.S. sales, and the programme for deliveries is as much as three years behind schedule.

There is another element of risk: the highly complex technology involved in liquefying the gas and the need for a whole series of linked installations—from the gas gathering system to the piping through to the liquefaction and transport—to be functioning properly. A

BASIC STATISTICS	
Area	896,592 sq. m.
Population	17.
GDP	AD29.7
Per capita	AD1.
Trade (1975)	
Imports	AD21.1
Exports	AD17.5
Imports from U.K.	£78.
Exports to U.K.	£87.
Trade (1976)	
Imports	AD21.1
Imports from U.K.	£10.
Exports to U.K.	£80.
Currency: Dinar	£1=AD7

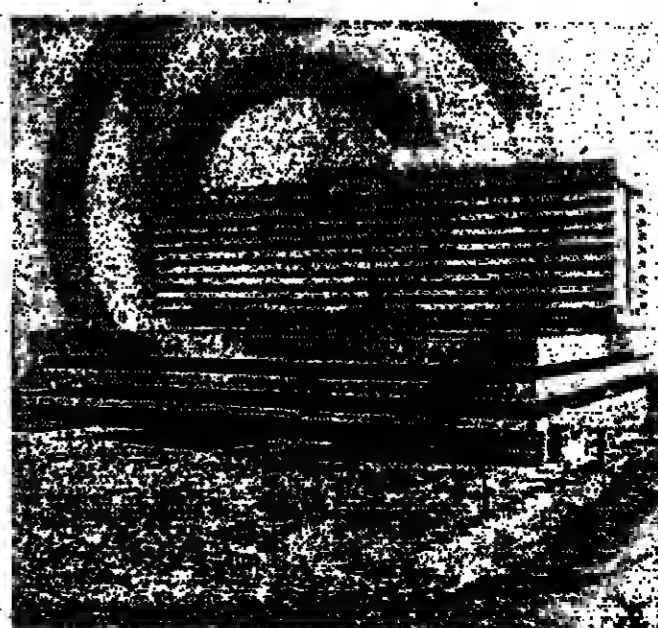
breakdown of a liquefaction plant for instance, which panned at Skikda for 10 months last year, cannot be included. This could have serious repercussions on revenue. The consequent ability to re-loans. The critical period in this respect will be around 1980, when the bulk of liquefaction capacity under construction or planned should be stream. While accepting technical reasons, the Algerians believe their experience is steadily being refined.

On conservative calculations Sonatrach reckons that in 1976 prices (calculated at \$1.26 per m.btu) sales from condensate and lng will reach \$5.3bn. against crude sales of \$4.5bn. The \$5.3bn. is based upon 40 per cent. lng, 40 per cent. condensate and 20 per cent. lng sales. By 1985, as reckons to be having an income of \$7.4bn. (50 per cent. lng, 30 per cent. condensate and 20 per cent. lng) against receipts of \$4.5bn. The World Bank has come up with different estimates based on different price projections. If things work as planned it is clear that sometime around 1981-83 crude sales will be passed as the main foreign exchange earner, and that the recent waiver of the ceiling on imports from any one country (28bn. cubic metres a year) will have been eliminated.

There is another serious and tremendous effort devoted to producing revenue from could once again distort economy and divert valuable funds from other sectors. Algeria would then be left with a costly debt service structure and still be faced with its fundamental economic problems—expanding the level of employment and providing new jobs for those entering the market for the first time, balancing regional development, improving the productivity of agriculture and creating the number of total personnel.

The Algerians know full well that development of hydrocarbons does not solve any of these fundamental problems but merely provides the financial means to help solve them. It is a formidable challenge. But judging by past experience the Algerians like a challenge and like to win.

Robert Graham



The Hotel Aurassi, overlooking Algiers.

## الصندوق الجزائري للتأمين وإعادة التأمين

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algérienne  
d'assurance  
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Journalist

# Euromarket loans ease the strain

ALGERIA IS back in the Euro-market for its first major loan in 13 months and another even larger one could be on the way. The past year has not been an easy one on the financial market for Algeria and the next few weeks are crucial in more ways than one.

The latest loan is for the state shipping company, Compagnie Nationale Algérienne de Navigation (CNAN). It has been around, in one form or another, for about a year. Earlier this year Citicorp got the mandate to raise the money, which CNAN has earmarked for the downpayment on some new liquefied natural gas (LNG) carriers it would like to order. Some banks have declined to participate because they believe Algeria should concentrate all its efforts on finishing the major gas liquefaction plant known as LNG1 at Arzew in Western Algeria, which is 18 months late.

They know that CNAN already has two large vessels in mothballs and the U.S. company which has contracted to buy the gas from LNG1, El Paso Natural Gas Company, has a further two laid up. Such laying up operations are extremely expensive and these banks, although they do not dispute that it is cheaper to order ships now than later, feel that if CNAN wants more ships it should find the money needed for the downpayment from its own pocket.

The second loan is a different matter. The Algerian State oil and gas corporation Sonatrach is raising money to help finance the cost overruns of LNG1, estimated at \$650m. Exim Bank is understood to have lent \$150m, but some of the gap will have to be bridged by the market. The same banks which are less than keen on the CNAN deal are prepared to discuss a loan which will help to finance some of the cost overruns. They already have invested a lot in the future of Algerian gas and have no intention of abandoning Algeria at this crucial moment. They know that the

delay is far from being entirely the fault of Algeria. The contractor building the plant was sacked last year and Bechtel took over. Gas is expected to start flowing at the end of this year or the beginning of 1978.

It will be of great interest to see what spreads Algeria pays on this second loan. In recent months the suggestions from various participants in the market that the country should pay a spread of 12 per cent over Libor for its money, instead of the 4 per cent, so far, have been fiercely resisted by Algerian negotiators even if front-end fees have increased markedly. As it is, spreads generally have come down so the Algerians might succeed in holding the line.

## Helped

They might also be helped by various figures concerning their country's economic position and the details about its overseas debt which have recently come to light. Recently available World Bank data suggests that the maturity structure of the debt is very sound, most of the money has to be repaid after 1981 when large quantities of income come on stream. Hence again the conviction of many bankers that speeding up the building of the first LNG plant is essential.

Figures recently released by Algeria show the total contracted debt standing at \$10.5bn in 1976 while the figure of disbursed debt stood at \$4.6bn. The same study projected debt service as absorbing 13.6 per cent of receipts from visible exports in 1976, 17.3 per cent in 1978 and 1980, 24.9 per cent in 1982 and from then decreasing.

Provisional data on the performance of the country's economy last year are good. The 1976 deficit on visible trade of \$824m was turned into a surplus of \$300m last year and the current account deficit was

reduced from \$1.5bn to \$300m. This was essentially the result of a sharp increase in the sale of oil and natural gas, which between them account for 96 per cent of the country's exports. Reserves also increased from \$1.3bn at the end of 1975 to \$2.1bn at the end of last October, a figure which is not believed to have changed significantly since.

A further explanation for the good figures is the excellent cereal crop in 1976. In 1975 the country spent a third of its oil and gas income on importing food and subsidising some staple foods such as coffee, wheat and sugar inside Algeria. The situation will not be as good this year because of the two-month drought last February and March.

Last year the authorities also succeeded in building back on imports of some non-essential goods and with the break-up capital of the powerful Ministry of Industrial and President Boumedienne's increasing insistence on consolidation, observers believe Algeria's priorities are slowly changing — with less building of new factories and more effort put into ensuring that the ones already up work properly.

Other problems exist in the market for banks dealing with Algeria. For example, State companies do not always appear to make sure they have full authority before they begin negotiating a loan. Furthermore, the competition between two of Algeria's banks involved in foreign borrowing, the Banque Extérieure d'Algérie and the Banque Nationale d'Algérie, has been known to confuse situations. More important are two problems which are not easy to solve.

One is what many bankers feel is a shortage of information. To be fair to the Algerian authorities it must be said they have made a big effort, but the shortage of skilled personnel is not easy to remedy. There is also a widespread feeling that

not so much information need be classified. Very important for some banks is whether they will be able to get projections of its cash flows from Sonatrach: this factor, as much as any, could determine the conditions on the next Algerian loan. More important is the manner in which the market can "seize up" on Algeria. This comes from the insistence of the Algerians that companies tendering for projects in the country must also find the finance. Most of this comes in the form of cheap export loans

but many companies still have to turn to their banks, which in turn freeze lines of credit. Tenders can take months to be attributed. Meanwhile funds are earmarked for Algeria which cannot be used as a participation in a medium-term credit. Add to that the simple fact that a number of U.S. banks are close to their lending limits and the reason for the bumpy ride Algeria has been having in the market of late is not hard to find.

However, much as soft loans from government export credit organisations help, Algeria

needs the market and will continue to do so.

The delay over the approval of a number of gas export contracts to the U.S. signed over the past few years and which still await the approval of the Federal Power Commission in Washington is a further burden and one of major proportions. In many ways this situation is a good test case of how banks are trying to come to terms with the problems of one Less Developed Country and how Algeria is learning to use the market.

Francis Ghiles

amount of crude recoverable, pollution measures. Moreover according to foreign oil experts.

Sonatrach last year invested a total of \$625m on the development of its oil resources of which almost \$250m was taken up by exploration. A similar sum has been allocated this year. This is an exceptionally large allocation and underscores Algeria's desire to lengthen the life of its oil resources and increase reserves. Sonatrach reckons that exploration in the past five years has enabled it to add a mean average of 1m tons a year to potential production. Yet what this conceals is that many of the finds have been small and only marginally commercial. There has been one major new find.

The list of disappointments in exploration includes most of the foreign companies who have come in on a 49/51 basis with Sonatrach. Getty oil has spent over \$100m and found nothing in over five years; Sun Oil has left empty handed so has Deminor after spending some \$130m. Amoco is still active. Meanwhile the only positive finds have been on a small scale so far. Hispanoil is producing 100,000 tons from a limited find; and Petrobras has found crude at Biskra with a flow rate of 6,000 barrels a day. This is the most interesting in that oil has never been found in this region before or outside sandstone. The biggest find has been by Total near Ain Amenas which is equivalent to 2m tonnes a year.

In oil Sonatrach has some 140 rigs. Policy has been twofold. Where known fields exist Sonatrach has sought to define their limits precisely. Secondly it has tended to concentrate exploration on the same axis — from Hassi Messaoud through to the Tunisian border. Only a small proportion of exploration has occurred in untried areas. Sonatrach engineers believe that there is more oil to be found. But until this happens it is safer to assume limited extra crude resources. ELF for instance in 1975 opted out of a programme of investments (dating back to the 51 per cent takeover by Sonatrach in 1971 of the French oil field interests) on the consideration it was cheaper to buy the crude than risk heavy cash injections. Thus that Algerian production could reach 85m tonnes. Now it appears that such levels could only have been approached — and not attained — if investment in second recovery had been started much earlier. Indeed delays in pressing ahead with second recovery has limited the

amount of crude recoverable, its proximity to European and North American markets have given it considerable freight advantage. Thus in recent years it has become one of the most sought after, especially in the North American market. At \$14.30 per barrel is also one of the most expensive. Sales have not been affected in anyway by the two-tier price structure in operation since January — although Algeria was part of the majority of 11 that agreed to raise prices by 10 per cent.

## Cautious

Revenue from crude last year amounted to \$4.06bn, and this year will go beyond \$4.1bn. Sonatrach, on a cautious view and using 1976 prices, has estimated that revenue from crude sales will be \$4.35bn in 1980. The variable is the full extent to which second recovery will raise production, and the influence of increased domestic consumption which is rising at 15 per cent a year.

In the future revenue will be composed somewhat differently. More crude will be switched to gain added value from refined products (in addition to the Arzew 60,000 b/d refinery, a new 15m-ton-year refinery will be built by Snam Progetti at Skikda). Secondly the introduction of new equipment at Hassi R'mel will expand production of condensate. Thirdly production of liquid petroleum gas will be expanded. By 1985 Sonatrach plans to be producing 20m tons of condensate and 8.5m tons of LPG. Latest forecasts suggest as much as 5m tons of condensate will be produced in 1980.

Thus instead of crude accounting for over 85 per cent of hydrocarbons revenue, by 1980 this percentage will be cut to 65 per cent; and by 1985 it will be reduced to 38 per cent. Indeed while crude sales will remain fairly constant in 1976 prices, sales of condensate, LPG and liquid natural gas will increase sharply. Sales of the latter — split 40 per cent, 20 per cent, 40 per cent — should amount to \$2.5bn in 1980 and \$7.4bn by 1985, according to the latest studies by Sonatrach. Meanwhile crude sales will remain at \$4.5bn. In other words in the early 1980s the importance of crude as the single largest source of foreign currency earnings will be replaced by other hydrocarbon exports.

R.G.

# New oil finds are unlikely

ALGERIA IS one of the smaller oil producers in OPEC. Algerian crude accounts for less than 4 per cent of total OPEC production, placing it 10th in the 13 member organisation. This position is unlikely to change substantially, unless there is a significant new find. Those in the oil business believe that Algeria will be doing well to raise production to 60m tonnes a year. Moreover if Algeria produces at around this level then it will be lucky to sustain production beyond 20 years.

Current proven reserves stand at approximately 9.4bn barrels, on the basis of the latest Sonatrach estimates. Independent studies by both Bechtel and oil consultants De Golyer and McNaughton have recently been commissioned to back these Sonatrach findings. This comparatively slim reserve base in relation to other Middle East producers has dictated a

policy of maximising the life and productivity of existing wells through second recovery methods on the one hand, and an expensive and determined search for new fields on the other.

## Productive

The main productive wells, dating back to discovery in the late 1950s, are located round Hassi Messaoud and on a southeasterly line towards the Tunisian border deep in the Saharan Desert between 500 and 700 kms from the coast. Last year production totalled 50.09m tonnes, and this year it is expected to reach 50.5m tonnes. The principal means of raising production levels is through water injection or gas injection to increase the rate of recovery. At least three major fields are being exploited now by secondary

recovery methods. In particular the largest field, Hassi Messaoud is having equipment installed to allow the injection of up to 66,000cm<sup>3</sup> of water a day. As a result it is hoped to raise total production next year to a total of 55.3m tonnes — Sonatrach reservoir engineers have postulated an optimistic figure of 55.7m tonnes.

If reached this would be a record production level. But one should add that Sonatrach until recently had been proven over optimistic in its assessment of production capacity. In the early 1970s senior officials had stated as an article of faith that Algerian production could reach 85m tonnes. Now it appears that such levels could only have been approached — and not attained — if investment in second recovery had been started much earlier. Indeed delays in pressing ahead with second recovery has limited the

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ALGERIA IV

# Economic hopes pinned on gas resources

ALGERIA possesses roughly 12 per cent. of the world's known gas reserves, with only the Soviet Union and the U.S. having more. Gas is the country's single most important natural resource. But exploitation of these huge reserves, located deep in the Sahara, has proved frustratingly slow for the Algerians. They have opted to exploit the gas via sales of liquefied natural gas.

Technical and contractual problems have dogged the erection and functioning of the liquefaction plants, while political considerations along with environmental and price issues have delayed approval of the sales contracts. As a result, the LNG programme is anything between two and three years behind schedule. But considering that Algeria has been a guinea-pig for the complex technology of gas liquefaction, and that it has been trying to break into the U.S. market, such delay is not surprising.

Initially the Algerians envisaged their main market for gas sales in Western Europe—in Britain, France, Italy and West Germany. The first clients were indeed the British Gas Council (as then known), and Gaz de France which began taking deliveries of LNG in 1964 from the CAMEL liquefaction plant at Arzew on the coast of Western Algeria. The CAMEL plant, with a 1.6bn. cubic metres annual capacity, was conceived on a small scale

### INVESTMENT IN GAS DEVELOPMENT

(Sbn.)	1976	1977	1978	1979	1980
Investment excl. liquefaction (of which pipe)	0.6	1.2	2.5	3.0	2.3
Liquefaction plant	0.2	0.4	1.9	1.5	1.7
Total	0.8	1.6	4.4	4.5	4.0

Source: Sonatrach projections.

and was the first such installation ever to use the liquefaction technique.

This conception of the market underwent a reappraisal in the late sixties. European market prospects were partially eroded by the discovery and development of gas in the Netherlands and similar finds in the North Sea. Perhaps just as important, the Soviet Union carried out an aggressive sales campaign in both East and West Europe to promote its own natural gas. Soviet gas had the advantage of being piped direct without the cost of investing in expensive LNG tankers or terminal facilities. The quantities Algeria hoped to sell to France, Italy and West Germany have been affected because of these considerations.

When Sonatrach, the State oil and gas concern, first turned towards the U.S. market there were many sceptics who doubted that Algeria could land LNG on the U.S. east coast at the right

price. Furthermore, Sonatrach clients seeking to buy Algerian gas faced — powerful lobbies within the U.S. opposed to such a deal. The Federal Power Commission (FPC) also had to be persuaded to give its approval — another obstacle. Finally, Algeria had to overcome the stigma of being a "risky" source of supply since it had participated in the oil embargo against the U.S. at the time of the 1967 June war and had broken off diplomatic relations because of American support for Israel.

### Contracts

The first American contract was signed in October 1969 when El Paso agreed to purchase 10bn. cubic metres a year of LNG over a 25-year period. Since then five other contracts have been signed, which will mean eventually U.S. east coast and Canadian purchases

No deliveries have taken place on these contracts, even though the first El Paso contract was signed almost eight years ago. Only one deal, moreover, has received unconditional approval from the U.S. FPC, and that is El Paso I. The Panhandle deal recently received a setback when the FPC ruled that it could not accept the clause in the contract allowing for automatic escalation every six months in oil price. (The regassified price was approved at \$3.37 per million btu.) Furthermore, the FPC rejected the idea of a "rolled-in price" that is, that Panhandle was able to include the price of Algerian gas with existing supplies to make an average price, thus ensuring that the Algerian gas was less costly. The FPC approved the deal on condition that the price was full one paid for Algerian gas.

Sonatrach believes that U.S. gas industry will challenge this ruling, and Panhandle has already done so. More generally the Algerians hope that the uncertainties on this and the other contracts will be clarified by the end of the year. Some regard such a view as optimistic since the purchasers on the East Coast face strong pressure from environmental lobbies given the potential danger from LNG cargoes. Tenneco, for instance, has already decided to locate its terminal in Canada to avoid environmental protests.

### LNG PLANT AND PROJECTED CAPACITY

Plant	Capacity (bn. cubic metres)	Cost* (\$m.)	On stream	Status
Camel	1.6		1964	
Skikda	4.5		1972	
Arzew LNG I	10.5	640	1978	First train ready 1977
Arzew LNG II	10.5	1,400	1980-81	Site work only
Arzew LNG III	15.5	2,200	1982	Design phase
Skikda extension	4.5	158	1978	First train ready 1977
Skikda II	10.5	1,300	?	Out to tender
Arzew LNG IV	3.5	600	?	Under study
Centre LNG I	10.5	1,300	?	Under study

\* Outstanding cost at 1976 prices. Source: Sonatrach.

third contract signed last year will raise this further to 7.5bn. cubic metres a year and eventually Sonatrach believes France will buy 9bn. cubic metres a year. This latter deal was concluded following the breakdown of talks between Sonatrach and a consortium of European gas companies which included Gaz de France.

The consortium known as SAGAPE (Saarergas, gasversorgung Sueddeutschland and Bayerische Ferngas of West Germany, Gaz de France, Dis-trigas of Belgium, Swissgas and Austria Ferngas) was to have purchased 15.5bn. cubic metres a year, and in return to provide financing for LNG export installations in Algeria to the tune of \$1.5bn. last year. Some members of the consortium members told Sonatrach they could not carry out their obligations and sought to renegotiate the deal. This move proved abortive. Thus Sonatrach found itself with independence at the time of the what it regarded as a binding contract in which SAGAPE was either unwilling or unable to provide the agreed financing, according to marketing director Mr. Ait Laoussine.

Meanwhile Sonatrach had incurred much expense in ordering tankers (one is now in motballs in Norway, and a second will shortly join it, each costing \$120m.). The two sides are now involved in a legal dispute, with SAGAPE denying

the existence of a binding contract. The net result has been that the German utilities to drop out of the purchase scene for the moment, along with the Swiss and the Austrians. But the Belgian Distrigas has negotiated a separate agreement for the delivery of 5bn. cubic metres a year.

### Weariness

The fate of SAGAPE illustrates both the problems of dealing with a consortium and the reliance upon the purchasers' financing. Installations in Algeria also revealed the continued weariness of opinion within Europe on Algerian gas purchases. Italy, the most merger-dependent country in Europe, is potentially Algeria's largest gas client. But so far out its obligations and sought to renegotiate the deal. This for many years (even before independence at the time of the late Dr. Enrico Mattei) has not materialised. In 1973 a contract signed by Sonatrach with ENI which envisaged the sale of gas — not LNG — to be piped via Tunisia across the Mediterranean undersea and then up the Italian coast to La Spezia. The contract envisaged the sale of 11bn. cubic metres a year. The contract was very neatly cancelled last year as the Italians were insisting on "plugging" it to the liquefaction

levy which was higher than the other two parties felt was reasonable. However, an agreement looks likely now, particularly in the face of improved Tunisian-Algerian relations.

The only other gas deal concluded in with Spain for 4.5bn. cubic metres. In the meantime Britain's purchase of 1m. cub metres is a contract unlikely to be renewed when it expires three years time. If kept at its existing price it would be interesting if the British Gas Corporation were to probe the contract, but the Algerians have said this is impossible. On a sentimental plane it Algerians would like the contract to continue but recognize it no longer makes sense to Britain.

In one sense the subject is approached backwards, by discussing the sales end first. Yet basically the Algerians have been obliged to find sales outlets before developing the gas fields and building the liquefaction plants because the outlay is so substantial. According to Mr. Loussine it requires roughly \$2.5bn. investment for a sales contract of 10bn. cubic metres a year. The outlay in Algerian territory can be split into three sectors — expenditure on the gas and pipelines, the liquefaction

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الصندوق الوطني للتوفير والإحتياط  
CAISSE NATIONALE D'ÉPARGNE ET DE PRÉVOYANCE



مركز  
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## Slow progress with the EEC

EVER SINCE IT gained independence 15 years ago, Algeria has looked to the European Community for a partnership which could help it to diversify away from its traditional economic reliance on France, while underwriting its deliberate decision not to align itself with either the American or the Soviet camp. As long ago as 1963, the Ben Bella Government first indicated that it was interested in entering into a formal relationship covering trade, aid and technical co-operation.

The commercial rationale for such an arrangement was given added impetus a few years later, when the first in a series of bumper French crops drastically reduced Algeria's principal market for its wine exports. In desperation, the Algerian Government turned to the Soviet Union as an alternative buyer. But the resulting deal was struck on terms which Algeria found far from satisfactory and which have injected an element of caution into its commercial dealings with Moscow.

In subsequent years, Algeria significantly expanded its trade with the United States, notably through natural gas exports. But it has been consistently careful to adopt a pragmatic attitude towards these commercial relations, which have never taken on any political dimension.

### Difficult

The road leading to the establishment of formal links between the Community and Algeria has, nonetheless, been a long and difficult one. Most of the obstacles lay on the European side. In particular, France was unwilling for the Community to pursue the matter while it was embroiled in a tense bilateral dispute with Algeria over the Sahara. At a more practical level, the EEC was unable to take any meaningful steps towards an agreement with Algeria until it had decided on a common policy for wine.

It was not until 1972 that the six were in a position to offer to open negotiations, initially only on a trade agreement. But the scope of this offer was considerably enlarged after the EEC decided in November of that year on the main outlines of its global Mediterranean

policy, which has led to the forging of formal links of one kind or another with every Mediterranean country except Libya.

The agreement emerging from these negotiations, which took effect on July 1 last year, is broadly similar to those concluded by the EEC with Algeria's Maghreb neighbours, Morocco and Tunisia. It provides for the free entry of most Algerian exports to the EEC (though there are limitations on the regimes governing oil and wine exports), for development aid and financial and technical co-operation.

It is more accurate to describe the arrangements negotiated as a framework agreement since its provisions will not come fully into effect until it has been ratified by all nine members of the EEC. It has, however, already been ratified by Algeria. Furthermore, the implementation of the accompanying financial protocol, which provides for loans and grants totalling about \$70m. over five years, is contingent on the introduction by the EEC of a new budgetary unit of account at the start of next year. Though this step has been agreed in principle, some recent complications have arisen over the scale of Britain's contributions to the budget.

At present, the only provisions in operation are those governing trade. Their practical effect has been modest because the great bulk of Algeria's exports to the EEC is composed of energy products. In 1975, out of a total of almost \$1.4bn. in exports to all nine EEC countries, about \$1.1bn. were accounted for by crude oil, oil derivatives and natural gas. EEC exports, which totalled about \$1.6bn. the same year, are accorded most-favoured-nation treatment by Algeria.

One important concession obtained by Algeria concerns the treatment of immigrant workers in the EEC. The agreement provides a formal undertaking that they will not be discriminated against in employment in all nine member states. It also guarantees them fair treatment in terms of pensions and social security benefits and gives retired immigrant workers the right to have their pensions remitted to them from Europe after they return to Algeria.

Even after the agreement is ratified, however, a good deal remains to be done to put flesh on its bones. A preliminary meeting, grouping representatives of Algeria, the nine Common Market states and the EEC Commission, is due to be held next month to review the first year of the agreement and to discuss broad proposals for implementing the development and co-operation chapters.

The Commission believes that the first priority should be to reduce Algeria's heavy dependence on food imports, with a view to making it eventually self-sufficient in agriculture. The scale of the problem is illustrated by the trade statistics for 1975, which show that Algeria's imports of food products from the Community accounted for a tenth of all imports from the EEC in value terms and were more than ten times greater than its food exports to the EEC. The contrast is accentuated, of course, by the sharp fall in Algeria's wine exports to the Nine in recent years.

### Livestock

The Commission proposes to tackle the problem by encouraging the development of home produced livestock, cereal and sugar crops and by encouraging a diversification away from wine production. In addition, it believes that Algeria should concentrate on increasing domestic production of fertilisers and agricultural machinery. Strong emphasis should also be given to creating a basic infrastructure in poorer regions and in energy-producing areas, with a view to attracting new industry particularly of the labour-intensive kind.

The Commission would also like to encourage greater co-operation between industrial and commercial enterprises based on Europe, and Algeria concerns. However, it also recognizes that some venture of this kind have not met with complete success in the past, because European businessmen have sometimes found it difficult to operate inside Algeria. In the Commission view, the development of such co-operation could be helped if the Algerian authorities defined more clearly their policy towards such co-operation and adhered to consistently.

Guy de Jonquiere

Handwritten note in a box: "البنك الجزائري للتنمية"

# State enterprises dominate

GUIDED BY the principle that the State should own the means of production and that private capital is acceptable only where it does not exploit, Algerian commerce and industry are dominated by State companies. Until recently the chief concern had been to ensure that the State really did own the means of production — a process which began in 1966 with the nationalisation of the mines — and that companies were granted to cover new sectors affected by the rapid industrialisation. Now the emphasis has shifted towards analysing how these companies function and how they should be controlled, both in terms of internal management and external control by the State.

As yet very few of these companies operate profitably, with the State injecting large scale amounts of cash and soft loans. The Government is also concentrating upon how performance and profitability can be measured. Unless solutions are found to these problems the consequences for the economy will be serious and the feasibility of Algeria's approach to socialism will be called into question.

The importance of State enterprises can be measured very simply by their share of the 1977 budget. Budget allocations are split into administrative (or current) expenditure, development expenditure and a separate item for the State enterprises. This year \$6.2bn. has been earmarked for the latter, equivalent to 47 per cent. of total projected budget outlay. This figure excludes external finance, which, including suppliers' credits, will be about \$1.8bn. this year. The importance of these companies in relation to

the total share of domestic credit is not known in figures, but must be very substantial. To complete the picture one should also mention that the budget allows in a special provision \$825m. to be set aside to assist companies in financial difficulties.

The hardest thing of all is to find objective criteria to judge performance. The primary object of many companies has not been to make a profit but to serve a complex series of social, economic and political functions. For instance, an essential part of Government economic strategy has been to establish industry at a regional level in the interior of the country to prevent a concentration on the littoral and to provide industrial jobs in previously rural areas like Tizi Ouzou or Tيارت. Thus the companies responsible for setting up plants in these areas have to pay higher transport costs, take account of delays in the supply of utilities and provide for more extensive training facilities than on the coast. Even in more developed areas similar considerations can apply. There are also innumerable unforeseen expenses. Sonatrach, the national oil and gas concern, for instance, found itself having to foot the bill for a bridge across a river by its fertiliser plant at Annaba because the Ministry of Works proved too slow in moving. Companies at another level are extensions—or in many instances the actual representatives—of the welfare state. They provide access to medicine, housing and education. All these social costs are extremely expensive and take up a sizeable portion of company funds.

The companies themselves often tend to hide behind the positive features of supporting these social costs to conceal their own inefficiency. Alternatively, companies, designated to establish industries to secure national self-sufficiency, can defend loss making by invoking strategic necessity. Thus by what yardstick does one measure, say, the national steel company, SNS? The El Hadjar steelworks near Annaba has seen some \$2bn. invested over the past ten years. It was planned by now to have a productive capacity of 2m. tons. The present capacity is 400,000 tons and actual production is 300,000 tons, with steel still being imported in large quantities to make pipe. Of the \$500m. in special financial assistance provided by the Treasury to State companies in 1975, \$150m. went to SNS, according to the Finance Ministry. Superficially it would be easy to attack the company's record. On the other hand those who know the company argue that SNS merely reflects Government options and in the short term can do little to improve its position. It is also argued that El Hadjar has permitted Algeria to acquire experience which cannot be quantified in money terms.

Company finances as a whole are still based upon very thin margins, even those which are profitable. There are two basic problems. First, the shortage of trained personnel is acutely felt in management, with a thin layer of highly qualified persons at the top but still virtually no support from middle management, since such a cadre is only in its infancy. Moreover the best people tend to be attracted to the more "glamorous" concerns like Sonatrach, which also manage to offer more perks: cars, housing and foreign trips. Thus the gulf between the large companies and the smaller less attractive ones is growing. The shortage of personnel is also acutely felt in accountancy. This is vital, especially on project control, but has received insufficient attention as a profession.

Second, the majority of companies were established with funds borrowed short term. With plant start-up delays, inflation and unforeseen costs this has been a heavy burden. In the past four years there have been a series of efforts to restructure debt, but in some instances the initial problems created by heavy short-term obligations have yet to be unravelled. Company finances have moreover been complicated by

their credit positions with other State enterprises and utilities that have supplied goods and services. Only now are arrangements being made with the banks to ensure that payment is prompt, or credit properly rolled over.

The Government is committed to what it calls *gestion socialiste des entreprises* — socialist company management. The idea basically is that the workers should be involved in the factory at all levels — as in the agricultural sector with the "self-managed farms." Under laws passed three years ago workers could establish up to five different committees to cover all aspects of a company's operations, including finance. The text of the law is not fully clear on the extent to which the Government-appointed manager and his own qualified personnel can determine policy — or whether the workers' committees have the power to overrule management.

But what President Boumediene clearly wishes to avoid is a form of State capitalism that permits the growth of a class of industrial barons. At the same time he wants to prevent the workforce taking jobs for granted. The 600 different units, that there of constitution approved last year is talk of splitting it up.

specifically states that the right to work is also accompanied by obligations—in other words the workers cannot sit back and expect the State to take care of everything, including constantly increasing wages, if productivity is ignored.

## Concern

The experience so far is that workers' committees have in general been poorly attended, and housing matters, not the running of the company. Recently it emerged that many of the committees whose three year mandates had expired had not bothered to conduct new elections. Meanwhile at the management level a cumbersome administrative system, increasingly bureaucratic, has grown up alongside a privileged class of executives often jealous of their prerogatives. Socialist management has proved easiest to discuss and implement on a small scale in small companies. No minister or senior official has yet come up with a formula to tackle socialist management of the large companies like Sonatrach. The latter has become so large (there are over 600 different units), that there is talk of splitting it up.

It is questionable how long Algeria can afford to support such a system without refinement. The Finance Ministry certainly does not want to encourage the idea that the Government is a bottomless treasury which can continuously provide cash injections which effectively are once-and-for-all grants. The special annual fund for cash assistance is now being handled on the basis of a three to four year grace period, then repayment at 5.65 per cent. over some 12 years. The national charter, too, makes the point that socialism must work; and in the chapter on socialist management insists that "a condition for the success of socialist management is that it does not degenerate into a system which stifles initiative and which creates autocratic authorities with new privileges..."

But the problem with encouraging initiative is, as one official pointed out, that it also encourages "anarchies and distortions." In other words a system of incentives tends to respond to market forces, which inevitably introduces more of some areas, such as employment of skilled personnel, companies have been forced to

adopt such a market approach in order to secure the necessary manpower. But this has played havoc with a harmonious national salary structure. Too much of the market approach clearly contradicts the spirit of socialism that President Boumediene is seeking to introduce. But matters are complicated by the fact that the industry developed so far is mostly capital intensive, using plant and systems imported from western countries (whose operations and viability are gauged in financial terms).

There seem to be two views on how to come to terms with these problems. The first is a pragmatic and "technocratic" approach more aligned to State capitalism—though the Algerians hate this word to be used. The second is more doctrinaire, regarding the social, economic and political value of a company's activities as part of an indivisible whole—the edification of a socialist state—and therefore must be judged accordingly against this broad context of national objectives. The cynics argue that Algeria will pretend to do the latter and carry out the former.

R.G.

## Gas resources

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but; the liquefaction plant; essential materials like cement. Technical problems arising from the size of the compressors and corrosion through use of salt water has affected the performance of Skikda. Last year the plant was closed for three months. However, Sonatrach engineers believe that they are learning from these problems and that each train built improves in quality. At present the plants are programmed to operate the equivalent of 330 days a year to achieve capacity.

Start-up

The first train of LNG I at Arzew will undergo start-up trials in August and all six are expected to be operational by the end of 1978. At Skikda the fourth train is expected to be completed by the end of this year, and the fifth and sixth trains by the end of 1978. On a conservative estimate Sonatrach should have by 1979 operational capacity of 21bn. cubic metres a year. LNG II and III should be operational by 1983 on a conservative estimate, thus giving Algeria capacity of just under 56bn. cubic metres a year.

The gas is primarily coming from the giant Saharan field of Hass R'mel, the largest in the world. This means that between 50m. kms and 650m. kms of pipeline is required, depending on whether the gas is being taken to Arzew or Skikda to be liquefied. Pipe costs are expected to average out at \$1bn. a year, amounting for almost 40 per cent. of total investment outside the liquefaction plant on Algerian soil.

The most costly single item is the liquefaction plant where the gas is first treated (carbonic gas and water removed), then compressed and finally liquefied. The accompanying dimensions of Sonatrach's investment in all these plants are built, then the projected cost at 1976 prices would be around \$7.5bn. This is a crude estimate according to Sonatrach and does not take account of cost escalation or technical problems.

Originally Sonatrach conceived the liquefaction plants as being built on a turnkey basis. This was the case with (AMEL), with the first three plants of the Skikda plant built by Technip; and with LNG I at Arzew, entrusted to Bechtel.

However, Sonatrach ran into difficulties in controlling performance on turnkey contracts. For instance, Skikda was to have been built entirely by Technip; but Sonatrach, dissatisfied with its performance, halted the construction of fourth, fifth and sixth trains. Disatisfied again, it entrusted the final trains to Pullman Kellogg on a cost-plus basis.

Meanwhile, at Arzew Bechtel dismissed from LNG I in November 1975 and Bechtel, which took over, insisted on a cost-plus basis. Pullman Kellogg and Foster Wheeler reported to have insisted on a cost-plus for LNG II and LNG III and the Algerians now opt that this is the best guarantee of performance, though more expensive.

Perhaps the most difficult to quantify is that caused by the delays in construction of the liquefaction plants and the stoppages due to technical problems. At Arzew, work on LNG I stopped completely from November 1975 until May 1976 as a result of the cancellation of the contract with Bechtel, which was obliged, after restarting to carry out a detailed survey of work already done. Other hold-ups have

occurred through shortage of essential materials like cement. Technical problems arising from the size of the compressors and corrosion through use of salt water has affected the performance of Skikda. Last year the plant was closed for three months. However, Sonatrach engineers believe that they are learning from these problems and that each train built improves in quality. At present the plants are programmed to operate the equivalent of 330 days a year to achieve capacity.

Sonatrach is hoping that by 1985 it will have achieved a capacity of around 705bn. cubic metres to satisfy a full export order book. Officials feel that both in terms of mobilising finance and in terms of physical ability to instal plant such a target is an optimum one. Algeria is thus unlikely to seek any more large-scale contracts at the moment either in the U.S. or in Europe—unless an existing contract falls down.

Although El Paso I covers a supply period of 25 years, most of the contracts cover 30-year periods. Algeria is counting on major income from LNG accruing from 1985 up to the year 2005. Whether or not Algeria has sufficient reserves to permit exploitation over a longer timescale is still open to question. Some in the gas business believe that a sustained high level of exports, plus increased domestic use of gas both as an energy source and as feedstock, will take a heavy slice of Algeria's reserves, leaving a much reduced volume available for export beyond 2005.

On the other hand Sonatrach is putting enormous effort into exploration. Hass R'mel's parameters have not even been fully determined. Indeed, a recent discovery on the southern edge of the field is considerably extending it. Furthermore, Sonatrach has been so encouraged by a series of small but numerous finds in the Ain Saleh area (south and west of Hass R'mel) that it has decided to speed up plans for a gas-gathering system to bring the wells into production.

R.G.

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الجزائر



Tou

# Support for Saharan guerillas

IN ALMOST any conversation with an Algerian official the subject of the former Spanish Sahara is hard to avoid. In the Press, too, the subject dominates other foreign news; and events in the wider Arab world often get scant treatment. For over 18 months now the guerilla war being waged by the Polisario Front in the bleak western end of the Sahara Desert against Moroccan and Mauritania troops has been Algeria's biggest single external preoccupation. The outcome of the guerilla war which is aimed at establishing a sovereign Arab State in the former Spanish colony is problematical, but it will certainly have an important impact on the balance of power within the region.

The guerilla war in the Sahara is four years old, with Polisario celebrating on May 20 the fourth anniversary of their struggle. Rather than lessen in intensity, the level of fighting has increased. There is no sign of any solution either negotiated or imposed. Without doubt the situation has potentially explosive ingredients. Algeria is totally committed to the establishment of Polisario's democratic Arab Saharan republic; and equally King Hassan of Morocco is committed to ensure that this does not happen. As a result the possibility of a limited war between Algeria and Morocco cannot be excluded—though the Algerians insist they will not be the ones to initiate such action.

The situation on the ground has altered radically from the time of the "Green March" in October 1975. Then it seemed that King Hassan, through the swift occupation of the former Spanish colony and the massive officially inspired peaceful march on the territory, had scored a major diplomatic victory, acquiring at the same time a strong military position from which to dictate events. However, the Polisario guerillas have since exposed the inherent vulnerability of Morocco's military position. Through a series of hit and run raids they have successfully harassed heavily extended Moroccan supply lines and effectively forced the

Moroccan troops to restrict themselves to controlling the main townships. Thus, Polisario has been able to tie down with a maximum of 10,000 of its own men (probably only half this number are actually active) a very sizeable contingent of the Moroccan armed forces.

All the indications are now that Polisario has acquired an edge in the guerilla war. Polisario is in no hurry and through harassment is trying to wear down the Moroccan army. Recently it has begun to turn its attention more towards Mauritania itself. Last month's raid on the Mauritanian mining town of Zueratt suggests that Polisario feels the regime of President Ould Daddab is the weakest link and independence can be best achieved by first provoking the downfall of the latter.

### Refugee

Algerian support for Polisario is both diplomatic and material. Polisario is using Algerian territory as a safe refuge and within Algeria has received assistance in the form of training and arms supplies from the Algerian armed forces through Polisario also relies on captured weapons. In addition some 50,000 Saharan refugees are now on Algerian territory—a large part of the new State's potential population. Algeria's support should be seen at two levels. At one level there is a genuine emotional identification with any liberation movement because of the country's own struggle for independence. On another and more practical level, there are a number of considerations. Algeria has been anxious to prevent what it sees as Moroccan expansionism: undoubtedly if Polisario had not received Algerian support, a Moroccan client State would have been established which would have extended a ring of Moroccan influence through Mauritania. By the same token Algeria has an interest in ensuring that if a new State is to be established on its borders it should be sympathetic to Algeria, especially as stability in this area would facilitate the development of

buges iron ore deposits near Tindouf.

Although top-level Algerian officials can see no means of solving the problem, their view is very much that the longer Morocco becomes bogged down in the Sahara, the more it will create discontent within the Moroccan army and expose the "contradictions" of King Hassan's rule. However, no one is so naive as to expect King Hassan to stand by and let a revolutionary situation develop inside his own country. Algeria is prepared for the possibility of a war—in the knowledge that the two countries fought a border war in 1963 over Moroccan claims to Tindouf. Algeria in the past two years has increased its defence expenditure, this year by 24 per cent to \$400m. This is still small by the standards of many developing countries. The Soviet Union has delivered a quantity of new T-62 tanks recently but officials reject suggestions that Libya has bankrolled military hardware purchases. Military experts believe that in hardware terms Algeria has a slight advantage which by the end of the year could be levelled with Morocco taking accelerated delivery of French AMX tanks and the Mirage F-1.

The Saharan problem has had an unavoidable and negative impact upon the Maghreb as a whole. The cautious—and in President Baumedienne's case—controversial moves to establish a *modus vivendi* with Morocco, as the first steps to more substantial co-operation, have gone by the board for the moment. As long as King Hassan continues in office co-operation between the two countries is unlikely to improve—even if there is a negotiated solution to the Saharan problem. Meanwhile, Tunisia has stood by rather embarrassed and is decidedly unwilling to become involved, being anxious to offend neither Algeria nor Morocco. Thus, Maghreb unity—subscribed to by all three countries—is for the time being a very empty phrase.

Algeria's relations with the rest of the Arab World have suffered seriously from its sup-

port for Polisario. With the exception of Iraq, Libya, the PDRY and Somalia, Algeria has found itself isolated within the Arab League. Morocco and Mauritania have been supported by the majority of the Arab League and there is no evidence of a change. Indeed, Algeria has been bitterly disillusioned by the conduct of the Arab League which has sought to shut off all discussion of the issue. Algeria sees its isolation as part of the continued "embourgeoisement" of the leading regimes in the Arab World, and Algerian officials realise that the Arab World as a whole is in no mood to listen to their preaching of socialism.

Senior Algerian officials are also disappointed at the way the rich Arab oil states are spending their money and the slow pace of inter-Arab co-operation. There is equal dismay at the continued inability of the frontline Arab states to confront the problem of Israel, and the inability of the Palestinian resistance movement to agree among itself on a coherent strategy. Whereas three years ago the Algerians were active in seeking to mediate in Lebanon, they played little part in trying to resolve the Lebanese civil war and President Boumedienne has not sought to be included in any of the mini-summits either on the Lebanon or the wider issue of an Arab-Israeli settlement.

### Focus

In short Algeria has become more inward-looking, while maintaining its identity as an Arab nation, Algeria has decided to focus its attention more where its interests lie: namely those countries with which it trades and from which it wishes to acquire technology. The emotional identification with the Third World and struggle against imperialism is still there but Algeria has become conscious of the need for an interdependence with its trading partners.

In this respect the most striking development over the past three years has been the evolution of relations with the U.S.

The U.S. has now supplanted France as Algeria's main trading partner. Algeria imported in the first 10 months of last year \$401m. worth of U.S. goods and Algeria's sales to the U.S. of mostly crude oil, were worth \$1.5bn. Algerian-U.S. bilateral trade now accounts for almost a quarter of Algeria's total volume of trade. This percentage is going to increase when the large gas sale contracts get underway. If current contracts are approved over 50 per cent of projected Algerian large exports within the next 10 years will be going to the U.S. market. At the same time the U.S. is now buying as much as 40 per cent of Algeria's crude oil output. In addition Algeria has shown an eagerness to acquire the latest technologies which also draws it towards

East Europe and the U.S. During this time the Algerians have realised that the East European countries can be of no major assistance in industrial development or provision of technology. Moreover the Soviet Union showed itself ruthlessly competitive in its desire to sell gas in Europe. Relations with the Soviet Union have remained friendly but not especially close although there are some 1,500 military advisers in Algeria. This may be explained by the refusal to give the Soviets the full naval and air facilities which they would like. Algeria was cautious about allowing Soviet military overflights during the Angolan civil war.

pro-Soviet and pro-Western states—have for the moment been neutralised by the Carter Administration. But they do exist and must have to be taken into account.

The swing towards the U.S. appears more pronounced because relations with Europe have not developed as smoothly as the Algerians would have liked. In the long term Europe has been seen as the major partner through geographical proximity, mutual need and the historical association with France. Determination of relations with France largely as a result of France's deliberate choice to support Morocco and Mauritania against Algeria, has rubbed off on the EEC as a whole. Relations between France and Algeria are extremely strained at the moment and show no sign of improving, and if anything are likely to deteriorate further since Polisario has now chosen to take Frenchmen hostage (six were captured in the raid on the Mauritanian mining town of Zueratt in early May) for which France deems Algeria responsible.

At an ideological level the Algerian leadership would like to contain its relationship with

the U.S.—and indeed with industrialised West as a new international order. In other words, than being labelled as "Algeria" towards the West. The evolution of its relationship with the industrialised countries to achieve a system of world trade, just system of the distribution of wealth and transfer of technology.

Algeria has been a mover in promoting the new international order based on these principles and has been active in north-south dialogue, the GATT and the Without the issue of the Sahara it would probably say that most of Africa's energies would be now directed towards the creation of a new international economic order. Certainly the Algerian leadership regards it as the most important international institution for developing industrialised countries, a curious combination—Arab, African, World, Mediterranean, Islamic and socialist.

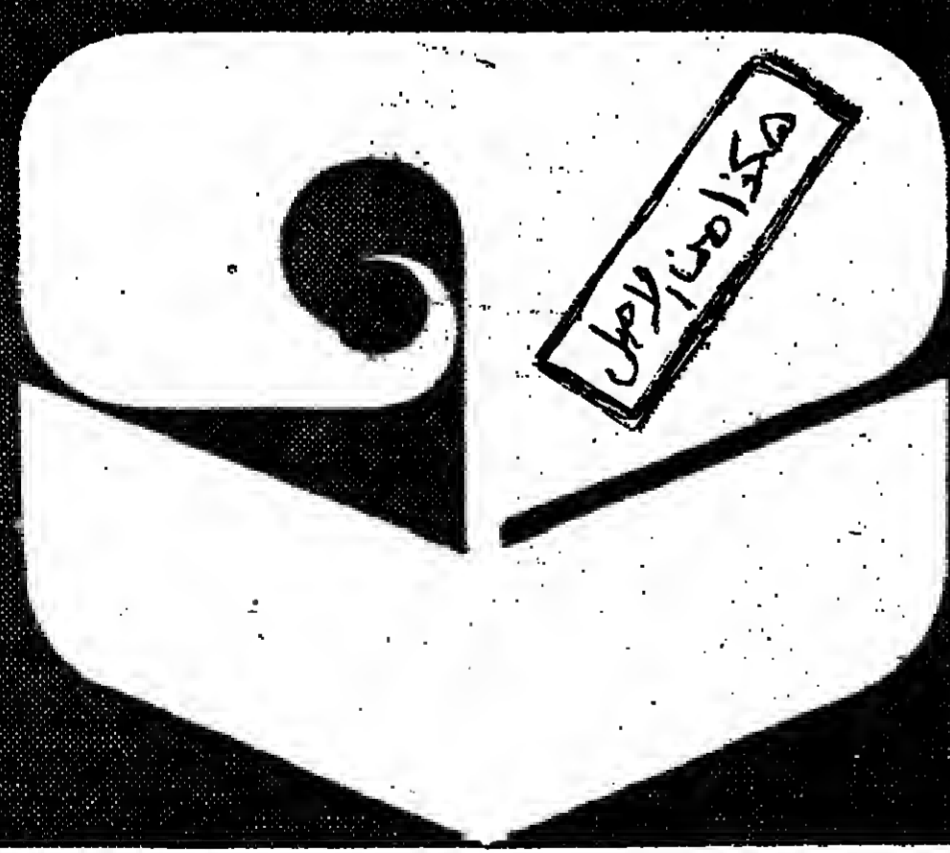
### Logic

The logic of these increasingly important commercial ties with the U.S. is a greater interdependence which in turn affects the diplomatic stance of both countries towards each other. The potential areas of friction—American support for Israel, the traditionally close ties of the U.S. with Morocco and its supply of military hardware to King Hassan, and the polarisation in Africa between



Polisario rebels in the Sahara guard a mounted machine gun captured recently from Moroccan troops.

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## Land reform aims at improved farming

IN SPITE of recent rapid urbanisation and impressive industrial expansion, about half the Algerian people continue to live in rural areas and the majority of the active workforce is still engaged in agriculture. Yet Algerian agriculture has experienced a very slow growth in value added since independence, and its share in GDP has fallen sharply from 21 per cent in 1963 to only 7 per cent in 1976.

Indeed stagnation has been the keynote of Algeria's agricultural production over the last few years with a distinct decline in some crops. Yields of many crops are low and serious fluctuations in production result from unfavourable weather. The principal agricultural exports (wine, citrus fruits and vegetables) have declined due to marketing difficulties, while domestic demand, particularly for foodstuffs, has grown rapidly. Algeria now imports about a fifth of its cereals, a third of its milk, three-quarters of its fats and almost all its requirements of butter and sugar. At present about one-third of the country's oil revenues are being spent on food imports.

When Algeria became independent in 1962 the new nation inherited an agricultural sector characterised by marked duality: in fact there were two distinct rural economies, two different modes of production, and two contrasting ways of life. The colonial sector consisted of 22,000 European farms, covering an area of 2.7m. hectares (over a quarter of the cultivated area), which produced most of the country's cash crops and the bulk of agricultural exports. During the months before independence most of these modern farms, which occupied the best land, were abandoned by their

owners and managers, and without waiting for any directives from above the farm labourers took control over the production. Their position was legalised in 1963 by the famous March decrees. Further nationalisations later extended the *secteur agricole agricole* which now covers 2.5m. hectares divided into 1,974 units and employs some 135,000 permanent workers and 50,000 seasonal workers organised into workers' committees (together with their families fewer than 1m. people out of a rural population of 8m.).

Since 1963 efforts have been made to reorientate production towards the domestic market, and some progress has been made in reducing the area under vines and expanding the cultivation of cereals, forage and industrial crops. Considerable investment has been made in this sector, in mechanisation and in inputs of fertilisers and pesticides, but the results have been disappointing. Productivity has remained low and output has stagnated so that few of the farms make a profit.

A major problem has been excessive centralisation and bureaucratic interference in production, credit and marketing, depriving the workers committees of their autonomy and removing any possibility of independent action. Consequently the Government has recently begun to allow the self-management units a greater degree of autonomy in the hope that this will lead to a more intensive exploitation of these fertile lands and increased productivity. However, this newly won autonomy will only be effectively utilised if it is also accompanied by a major programme of technical training for the workers, the vast majority of whom are poorly qualified, and the restructuring of the self-management farms into more viable units.

Plight

It was not until 1970 that some members of the Government became alarmed by the worsening social and economic plight of the peasantry, and disturbed by the rural exodus to cities where neither housing nor employment were available. There was also the increasingly obvious economic fact that the low purchasing power of most traditional peasant families, the majority living outside the market economy, severely restricted the domestic market for the products of Algeria's expanding industries. The recent rural electrification programme for example, found that the poorer peasants could not afford even the 10 dinars (approx. £1) necessary to pay for the installation of a meter.

It was therefore with these problems in mind that a related land reform programme, the so-called Agrarian Revolution, was launched in 1973 amidst a blaze of publicity. The first stage of the reform, which ended in 1973, applied to collective lands, those belonging to communes, wilayas, State and religious endowments. The second affected private landowners. The reforms placed a limit on the size of private landholdings and excess land was expropriated. In addition, all land belonging to absenteeists was expropriated. The land acquired in this way is being redistributed to landless peasants. Share-croppers and agricultural labourers. All beneficiaries of reform land are obliged to one of the newly established co-operatives which form central organising institutions for the development of reform land.

It is through these new institutions that the government hopes to gain better control of agricultural investment and production. The majority of new co-operatives are *Coopératives agricoles de production et de consommation* (C.A.P.C.) which group together land members who collectively run farming operations, shared and sales. Income is divided according to the work done. Although previously designed for the reform of land, the C.A.P.C.s are allowed to join primary level co-operatives in turn grouped into *Coopératives agricoles polyvalentes* (*CA*) which market agricultural products, purchase inputs, provide credit and storage facilities, agricultural extension services. The C.A.P.C.s are expected to play a fundamental role in the restructuring and decent agrarian economy linking reform sector with both socialist and private sectors. They still suffer from a shortage of skilled technical and management cadres.

The third phase of the reform was launched in



Handwritten note: Jaffarita

# Tourist industry fails to take off

RIA HAS as much sun, sea and virtually no climate as its eastern Maghreb neighbour. Why then is tourism a source of revenue for Morocco and Tunisia but a minor business in Algeria, which has yet to amortise its infrastructure in the tourist industry?

Fewer than a million tourists a year are attracted to Algeria, according to the Ministry of Tourism.

The Ministry now has lowered its sights and organises four to 14-day tours of coastal or Saharan points of interest at remarkably reasonable prices, taking full responsibility for the group. For example, a week-end at Ghardaia (three days) costs £54 including transport from Algiers to Ghardaia.

A week in the oases costs £110, transport from Algiers included. People who have taken these trips report very favourably on both the organisation and the things to be seen.

Algeria's industrialisation and development plans have also produced a wave of local tourist demand. Paid holidays mean holidaymakers and Altour, perhaps tired of maintaining vacant hotels and beach resorts, now proposes special group vacation and week-end rates. Groups of 20 can spend two days at Tipasa Beach for £20 sterling, including transport, a guide and full pension for the two days. Three days at Tiemcen, capital of an ancient Arab Kingdom, cost £55 sterling, including transport.

Individuals and tourist agencies. Nights are spent in tents or reed shelters and the tourists are confronted by the savage wind-eroded Hoggar mountains, see Tassili rock paintings that are older than the desert itself and briefly contact the unchanged world of the nomads.

A truck convoy, returning from a trip across the Sahara, was surprised to meet two minibuses of young Swedish students camping in a dry river bed 900 miles to the South. On their way back to Stockholm from Nigeria, one bus had broken down and they were debating whether to spend more time trying to repair it or abandon it to the shifting sands and all crowd into the other.

In fact, without actually planning it, Algerian tourism now seems to be turning towards domestic tourists, some agency-organised group tours and adventurous individuals.

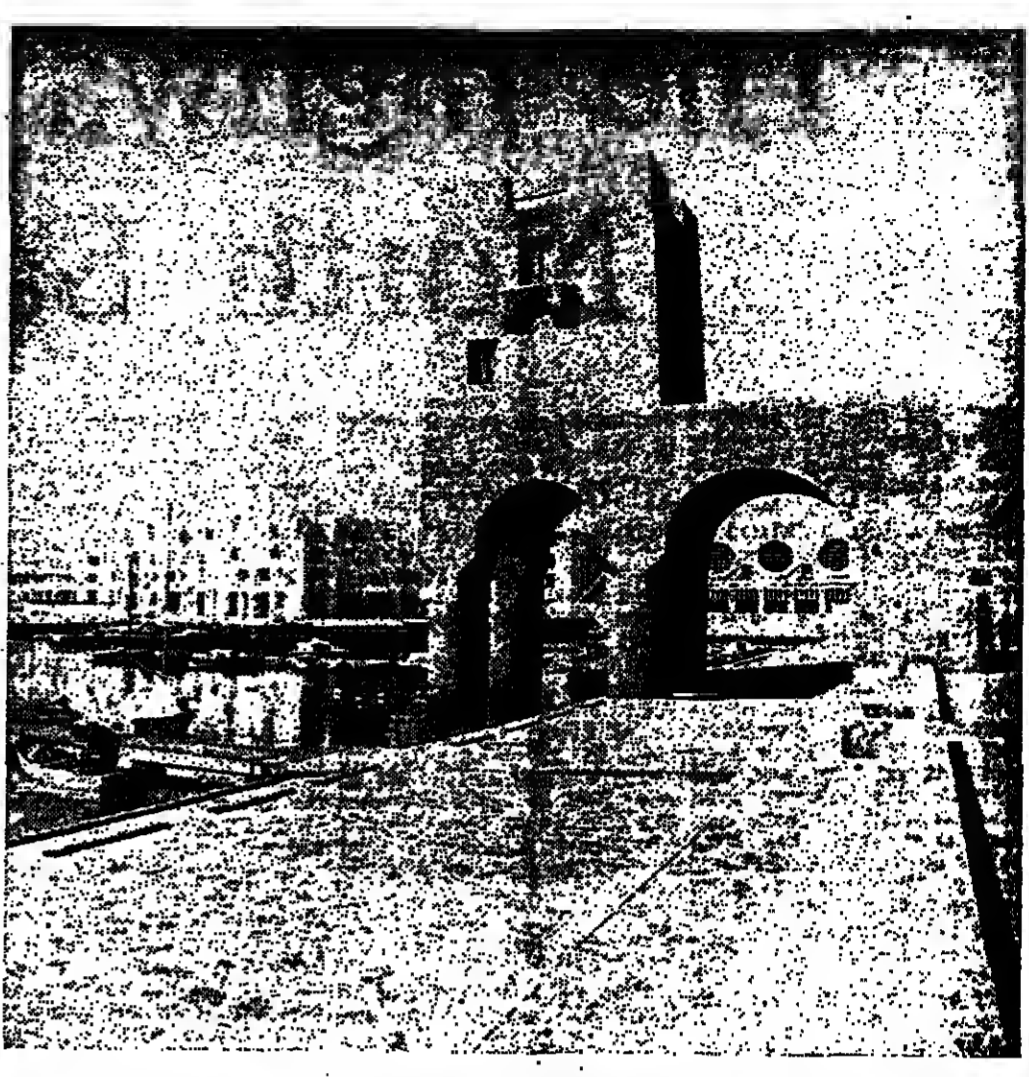
For individuals who do not expect everything to be laid on and prefer to find their own way, Algeria offers a lot. The transport system provides cheap and rapid carriage by air, rail or road. Algiers to Tamerasset (1,222 miles), the southernmost town in Algeria, below the Tropic of Cancer, costs £94 return by Air Algérie and an Air Algérie timetable, plus a useful guide to the country, make a good start for organising your own tour. Roman ruins, prehistoric remains, beaches, forests, oases, there is something for everyone except the devotees of "la dolce vita" and exotic night clubs. Even cheaper by bus, Algeria/Ghardaia (386 miles) costs around £8 again return.

If the local hotels are full, town halls and Ministry offices have lists of local people who accept paying guests. Hospitality in some of the bigger hotels is at times somewhat surly and grudging, local individual hospitality is overpowering reflecting traditional Arab generosity to all guests.

Algeria is too well organised and covered by a too efficient transport system to provide

much real adventure, but there are still elements of risk. Petrol stations are infrequent and telephones almost non-existent on the north/south routes. The desert is still the desert and has to be respected. Spare parts cannot always be found and sandstorms may delay flights but one can always find someone willing to help out, a donkey to give you a tow, a local to give you a drink or put you up.

The whole atmosphere of tourism in Algeria is a complete contrast to the featherbed Club Méditerranée style prevalent in Tunisia and Morocco. It demands more of an effort from the tourist but provides him with something more down-to-earth. But while not a gourmet's paradise, the food is good and varied, the Algerian wine strong and sometimes excellent, if expensive. And if you want to shoot wild boar, Algeria has a plethora of these destructive, if savoury, animals. Seasonal shoots are organised by the Ministry.



Sidi Fredj holiday resort.

Eirene Furness

## Medicinal

Spas, renowned since Roman times for their medicinal properties are being restored and groups of tourists from northern countries come to relieve their aches and pains in the hot sand and hot springs near Biskra where a new Pouillon hotel is battling against local water shortages and the permanent lack of motivated, trained personnel. The "Garden of Allah" is more crowded and less hospitable than it was when "Bosie" and Oscar Wilde quarrelled and were reconciled under the coldly objective eye of Andre Gide. There is less obsequiousness and corruption, more hostility and independence.

Nevertheless the Sahara has never lost its aura of romance and mystery and Landrover tours or specially equipped bus tours off the beaten track continue to be popular with

Mr. Pouillon is reported to have said, in a note of discouragement, "I find modern ruins." Of his 40 Pouillon-designed hotels checked out last summer, he had maintained their swimming pool in operating condition. Structures spread out over areas with rooms surrounding courtyards for calm privacy also mean long distances to be covered from room to room. Guests are unpleasantly surprised to find they have to hump their own baggage. This, plus prices charged in Algeria, drives tourists from resorts and some organised companies, despite favourable conditions granted Algerians, have struck off their lists.

## Farming

at breaking up the large family owned livestock herds Algeria's extensive steppe and at eliminating feudalism. The livestock is being redistributed to herdsmen, who will be regrouped into co-operative units.

Agrarian Revolution also includes a number of projects to improve living conditions in the countryside. The important is the much used 1,000 villages programme. Reform villages are to be established where either existing structures are unsatisfactory, or land improvement such as irrigation necessitates associated settlements, or agrarian reform requires establish similar needs. By 1976, 41 new villages have been completed and 77 under construction. Other projects include the expansion of rural electrification and extension of social services in rural areas.

politically significant that landholding has not been abolished by the land reform the continued prevalence of at least medium-sized owner-occupiers seems likely. Indeed it appears that absenteeists, especially with very large holdings, are members of the rural class who successfully evaded nationalisation. At most the reform will probably affect 10-15 per cent of privately owned rural agricultural labour will acquire land. The reform programme is behind schedule and has met with considerable resistance from the peasants, many of whom are reluctant to join the new co-operatives because of the fear of bureaucratic control. There are some examples of beneficiaries actually abandoning newly acquired land.

The impact of the reform is the maldistribution of agricultural land and its success in creating rural unemployment or underemployment is to prove very limited. It is to be seen whether land productivity and intensification in agriculture can be achieved on the reform lands. The new and bigly used cooperative structures are slow to develop and difficult to manage. High yielding crops (citrus, fruits) leave little room for cereals.

Agrarian reform itself will not solve the social and economic problems affecting the Algerian countryside. In the overcrowded rural areas there are too many potential candidates and too little land, and no large reserves of fertile land which can be rapidly brought into cultivation. The usable agricultural area is only about 7m. hectares (less than 5 per cent of the country's total land area), of which some 300,000 hectares are irrigated. Serious efforts are now being made to extend the irrigated area and a new Ministry for Environment, Soil Improvement and Hydraulics was created during the Government reorganisation in April 1977. But the possibility of expanding the cultivated area through land improvement and irrigation is strictly limited.

Improvements in farm management and in cultivation techniques may help to raise crop and livestock production, but in the face of the current unchecked rapid population growth full productive rural employment and self-sufficiency in foodstuffs are becoming increasingly difficult to achieve. One view is that land reform should be made central to a wider rural renovation programme, with emphasis on the development of areas of optimum potential for intensive agricultural production, together with soil and forestry conservation measures using labour-intensive methods. Such an approach would involve major movements of population within the countryside, with the gradual abandonment of the degraded mountain regions in favour of the zones of intensive cultivation in the plains.

Such profound changes would only be possible with the support of a mobilised and participatory peasantry, and the Government has so far failed to secure the active participation of the rural population in the development of the agricultural sector. Development programmes and reforms have been imposed from above through centralised and often bureaucratic methods instead of responding to impulses from below. Yet the Algerian peasantry were successfully mobilised once before in the struggle for national independence. The appropriate political and economic structures must be found to mobilise them again: this time in the battle to revitalise and transform the backward and impoverished countryside.

Dr. R. I. Lawless

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ALGERIA VIII

# The highway of the North Sahara

WITH AN area of nearly a million square miles stretching from the 670-mile Mediterranean coast to the Tropic of Cancer, Algeria's transport system is dictated by geographical as well as economic necessities. The coastal strip, narrow but extremely fertile, the semi-arid valleys and rugged mountains of the Atlas chain comprise 20 per cent of the land area and house about 90 per cent of the population. This area is well serviced by road and rail transport, and Algerian road building, apart from widening the main east-west coast road, has been mainly on the north-south axis linking Mediterranean ports and the industrial cities of the north to the huge desert areas in the south, with their mineral riches. Around 875 miles of new roads, were built between 1964 and 1976—Abadia to Tindouf, Fom el Kenez to Adrar, Timimoun to El Golea, etc. Nevertheless road development has not kept pace with road transport demand.

The Algerian transport system in 1976 consisted of nearly 50,000 miles of national, regional and local roads, used by more than 350,000 motor vehicles; 2,500 miles of railways; six major ports and one national shipping company (CNAN); from international and ten secondary airports, one national airline (Air Algérie); about 3,720 miles of oil and gas pipelines. Road and rail networks connect all major Algerian cities and regions and link Algeria with Tunisia and Morocco.

The biggest current road project is the Trans-Saharan Highway, a blacktop road being built by young Algerian national servicemen, destined to permit direct highway traffic from Mediterranean ports to sub-Saharan Africa. The Trans-Saharan Highway Committee, which includes representatives from Algeria, Tunisia, Mali and Niger,

takes nine days for the specially equipped 20-ton Berliet trucks to cover the 2,188 miles from Algiers to Lagos, via Agades and Kano. More than half the distance is over rough desert trails and treacherous, shifting sand dunes, but deliveries arrive on time. With minimum fuss the Algerian Transport company has conquered the sand sea and realised the old French dream of an overland trade route from the Mediterranean to Black Africa. Time will be cut to seven days when the In Salah—Tamanrasset section of the Saharan highway "African Unity Road," as it is called, is complete.

The SNTR runs freight road traffic and the SNTV (Société Nationale de Transports Voyageurs) is responsible for road passenger traffic. Freight carriage has doubled over the past five years and passenger traffic tripled, with an average annual growth rate of 16 per cent for freight and 20 per cent for passengers. In 1976 the Algerian Government spent more than \$29m. on building and maintenance of national roads.

Road use charges indicate that revenue from road users amounts to about four times expenses, when taxes on fuel and vehicles, plus import duties on parts and vehicles are taken into account.

Taxi services are privately owned and may operate for intercity or inside city traffic, but stringent regulations control operation of private trucks or trucking services. Urban passenger traffic is provided by city-owned and operated vehicles.

Road traffic has been given priority over rail services by the Government. Rail freight traffic only increased at an annual rate of 4 per cent, from 1970 to 1975 and passenger traffic only 2 per cent. Algeria possesses 2,500 miles of railway, almost entirely east-west routes. The Trans-Maghreb Express now runs between Tunis and Algiers, in

18 hours (625 miles) and there are only two lines running south, one to Djelfa, about 200 miles, and another to Bechar, about 500 miles from the coast, near the Moroccan frontier. The Government plans to build a new 563 mile railway from Tindouf to Bechar and to rebuild the line from Bechar to Oran to prepare for evacuation of iron ore from the Gara Djebilet deposits near Tindouf.

Air Algérie is one of the few African airlines to operate consistently in the black. Its average annual growth rate over five years has been 21 per cent for freight and 14 per cent for passengers. The Air Algérie network covers more than 40,000 miles and services 40 capital cities in Europe, the Middle East and Africa. Thanks to Air Algérie it is now possible to fly from North Africa to sub-Saharan Africa without going via Paris or Rome. Algerian airports will have to handle nearly 4m. passengers this year with their already strained facilities. Air Algérie has not neglected its domestic services and flies to 17 major Algerian cities with, in some cases, two daily flights

between important industrial centres. Algerians have taken enthusiastically to air travel and domestic flights are nearly always fully booked, with white veiled Algerian women and turbaned patriarchy sharing seats with foreign and Algerian businessmen. A daily flight in a Boeing 737 has brought the Hassi Messaoud oilfield within 70 minutes of the capital. Always full, this flight is booked twice a week entirely for Sonatrach employees. Air Algérie has almost finished replacing its Caravelles and Nord Aviation 262s with Boeing 737 and 727s.

Dar el Beida airport at Algiers, despite expansion and some rebuilding, is now plainly inadequate to handle the increasing international and domestic traffic. A new airport is planned to supplement Dar el Beida. This summer the Algerian passenger traffic system, mainly CNAN and Air Algérie, have to face the problem of transporting 500,000 vacationing emigrants from European countries, mostly France, to Algeria and then back to their jobs in Europe. The companies will charter vessels and air-planes to take care of this massive passenger flow — the biggest ever challenge to the national companies. Continued expansion has to be made if Algerian transport is to be equal to the increasing demands made on it, for industrial development, expanding international trade and by the rapidly growing population. Since transport is nationalised in Algeria, the Government exercises a preponderant influence over its development and operations through its investment policies and regulations, which are not always adjusted to meet current needs. Inter-ministry and agency co-ordination needs improvement, and there is a shortage of qualified and experienced personnel. Government allocation of road traffic between different operators, coupled with restrictions on imports of vehicles, tends to hold up supply of sufficient and flexible road transport services. Despite these problems and the rather unequal application of the Algerian transport development plans, the overall achievement is adequate when compared with the situation at independence and with what has been achieved elsewhere in Africa.

## Forward

Mr. Guendouz defined CNAN's trade policy as "intensive commercial aggressiveness." The company has signed agreements (either 50/50 with trade partners, or according to UNCTAD rules 40/40/20) with France, USSR, Bulgaria, the GDR, Democratic Republic of Guinea, the Chinese People's Republic, Cap Verde Islands and is also member of U.S.-Gulf-Mediterranean, Mediterranean-U.S.-Gulf and Maghreb-Italy for about 10 per cent traffic participation. CNAN is also a founder member of the Arab War Oil Transport Company, set in 1972 to ensure Arab participation in the oil traffic. The company increased its capital to U.S.\$1bn. in 1966 and ordered light oil tankers and two LPG carriers. It has a opened officers training school. Personnel training is part of the CNAN programme, six senior officers are still near, all foreigners. Ten ships, now manned by Algerian deck and engine officers, but national personnel is still foreign. The Merchant Marine Officers training school at B. Ismail, opened in 1976, together with the special training school for LNG transport at Arzew and promotional training courses, handle about 1,000 trainees a year. CNAN hopes to "Algerianise" its fleet completely by the late 1980s.

CNAN is also preparing for Algeria's Gas development, scheduled to start around 1980s. More tugs will be bought and personnel training at the LNG transport training school at Arzew stepped up. Four methane carriers are in order and CNAN does not intend to lose its lead in the comparatively new transport field. If FPC approval is given, another 10bn. cubic metres LNG will be earmarked for the U.S., and CNAN is determined to win its share in transport.

However, running a profitable shipping company is not the main aim. CNAN was set up to ensure Algerian independence and complete its control over its own economy. "The so-called Freedom of the seas is really

# Leading force in Arab shipping

and around 200 on trip charter, to ensure its regular services to 70 countries in Europe, Africa, Asia, Latin America and North America—about 100 departures a month from Algerian ports. The company claims that, apart from convenience flags such as Liberia, it operates the most important merchant fleet in Africa and the Arab world.

This, of course, has meant very heavy investments over a short period since the real expansion only started in 1970 (£25m.) but also ensure regular supplies," says Mr. Guendouz. "It is instructive to remember the attitude of many foreign shipowners only a few years ago. They refused freight orders that they did not like, a pretexting loading and unloading problems. This could easily have endangered our development plans. Would Algerian

freight and 14 per cent for passengers. The Air Algérie network covers more than 40,000 miles and services 40 capital cities in Europe, the Middle East and Africa. Thanks to Air Algérie it is now possible to fly from North Africa to sub-Saharan Africa without going via Paris or Rome. Algerian airports will have to handle nearly 4m. passengers this year with their already strained facilities. Air Algérie has not neglected its domestic services and flies to 17 major Algerian cities with, in some cases, two daily flights

## Creeping

Now, 182 miles south of In Salah and creeping towards Tamanrasset, the road is advancing slowly over the most difficult section, the Tadmaït plateau. It is making about a mile and a half a day now and construction stops in July and August. Splitting just below Tamanrasset, one branch will go to Tin Zaouten on the Mali frontier and the other to In Guezzam on the Niger frontier.

The Algerian national road transport company, SNTR (Société Nationale des Transports Routiers) has not waited for completion of the road to start regular truck traffic from the port of Algiers to Lagos in Nigeria.

SNTR runs weekly convoys under contracts with British transport companies. Goods are brought in British vehicles to Marseilles, the trucks cross in CNAN vessels to Algiers where the goods are transferred to SNTR vehicles. "We are negotiating to cover the whole route London-Lagos without unloading," says an SNTR official. This would save money and also cut approximately ten days off the time needed since goods would not need to be either unloaded in Tunisia, Mali and Niger,

# القرض الشعبي الجزائري

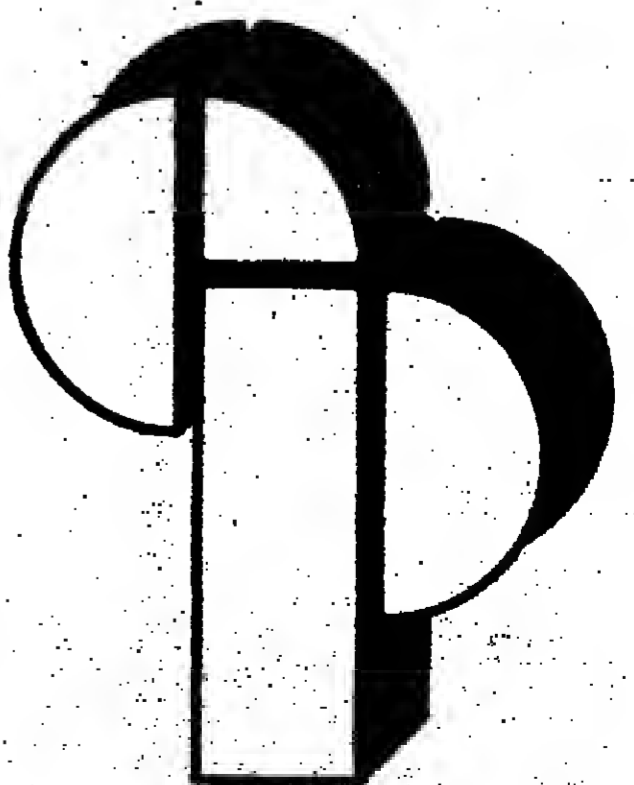
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COMPANY NEWS + COMMENT

BPB peak £27.15m.—tops forecast

After a mid-way advance from £2.7m to £24.32m...

Table with 3 columns: Item, 1976-77, 1975-76. Includes Sales, Building materials, etc.

BPB Industries forecast profits of £25m in the year to March...

HIGHLIGHTS

The preliminary report from J. Lyons shows further provisions of £9.5m...

But the U.K. performance was sufficient to push the shares up 6p to a year's high of 17 1/2p...

Brickhouse Dudley static

IN SPITE of the severe depression in the construction industry...

However, that does not mean that results for the full year will be unsatisfactory...

Working capital increased by £678,816, compared with £530,465...

Table with 3 columns: Item, 1976-77, 1975-76. Includes External sales, Trading profit, etc.

ENGINEERS, Edbro (Holdings) reports record taxable profits for the year ended March 31, 1977...

Overseas sales and exports provided the main spur to Edbro's performance last year...

Edbro turns in £3.61m.

Table with 3 columns: Item, 1976-77, 1975-76. Includes Turnover, Trading profit, etc.

Overseas sales and exports provided the main spur to Edbro's performance last year...

DIVIDENDS ANNOUNCED

Table with 4 columns: Company, Current payment, Date, Total for year. Includes Edgar Allan Balfour, Ashdown, etc.

Edgar Allan Balfour falls to £585,000

WITH SECOND half trading results of Edgar Allan Balfour being drastically affected by the industrial action...

The group's overseas subsidiaries made a profit of £24,000 despite difficult economic conditions...

Capital Tool Works closed on January 25, 1977 and all other former Balfour Darwins U.K. operations have been set up as separate autonomous companies...

Bett Bros. advance after six months

First half (to February 28, 1977) profit of Bett Brothers building and public works contractors advanced from £1.24m to £1.71m...

BOARD MEETINGS

The following companies have held their annual general meetings...

comment Bett Brothers has surprised building analysts by producing yet another good increase in profits...

comment The borrowing limits at Sena Sugar Estates have been raised to £20m...

ISSUE NEWS AND COMMENT

Bournemouth raises £1m.

Seymour Pierce has completed arrangements for an offer for sale of Bournemouth...

AURORA 0.4M. SHARES WITH UNDERWRITERS

AURORA HOLDINGS one-for-four rights issue of 80p to raise £1.68m...

Blundell-Permoglaze Half year results

Table with 3 columns: Item, Half year (unaudited), Full year. Includes Sales, Profit before Tax, etc.

The Industrial Division started the year well and this trend has continued.

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RESULTS FOR 1977

Table with 3 columns: Item, 1977 £000, 1976 £000. Includes Profit before metal stock appreciation, Profit before tax, etc.

Mr. J. M. Harrison (Chairman)

As reported on June 22, profit after other charges and minorities increased by 40 per cent to a record £7.32m...

Hambros shipping position

IN EXPLANATION of the fact that last year's exceptional loss on shipping loans appears in the accounts of Hambros without any corresponding entry this year...

comment Hambros shipping position has improved since the announcement of the £100m loan...

Record at Allied Plant

INCLUDING pre-acquisition profit of £49,848, covering a period of four and a half months...

comment The company's own investments in developing businesses has increased by 20 per cent...

John Cockcroft M.P.

# What's to stop a company that's grown 1400% in ten years dying just as quickly?

ST. JOHN'S HOP

1976: Earnings per share 15p.

### How Hanson Trust managed to succeed where others have failed

The USA has been the graveyard of many British ventures. This has made some companies extremely circumspect about establishing offshoots there. Hanson Trust's policy of investing in established companies with strong balance sheets has brought a very gratifying level of success. For instance, typical of our investments in the U.S. are a meat processing company and a textile related group. Both are in staple areas and both are contributing considerably to Hanson Trust's profits. In fact, last year over 60% of our profit was generated in the U.S. How many other companies do you know who've had this level of success across the Atlantic?

### When did the price of frankfurters in the U.S. last affect the price of bricks in Wales?

Our widespread investment in basic staple industries helps to ensure that even if there's a recession in one industry then the profits from another will aid the company to maintain its performance targets. Thus in times of economic uncertainty shareholders have been reassured and, given reasonable economic conditions, they can expect (and have been given) exemplary growth. In this way Hanson Trust is able to turn its involvement in so-called cyclical industries to distinct advantage, yet allow each of its subsidiaries to remain self-sustaining except for reference to us through our rigid budgetary control and operating over-view.

1973: Earnings per share 7p.

been lost in the forest of sapling companies which sprouted at that time and have since withered. What set it apart was the Hanson philosophy of investing in companies which are in basic, staple industries with sound assets and just as importantly, good management potential. This criterion was applied to every investment then and it's applied to every investment today.

### A blueprint for success

In following the policy of investing in companies with good management potential, Hanson Trust has laid a solid foundation for continued growth. In fact, so many people have had their attention diverted by Hanson's acquisitions they may be unaware of the fact that our organic growth has been sustained, and makes an increasing contribution to our profits. This is a direct and continuing result of the Hanson Trust philosophy. And because we are committed to growth through managerial excellence, we are not about to relinquish the hard-won positions our companies have achieved.

### A matter of opinions

There are a great many different opinions about Hanson Trust. One has only to read the press following announcements of our results to see how wide-ranging these views are. But while the pundits argue, we get on with what we do best; working hard to create more profit, more jobs, more wealth for Britain and greater security for our employees and shareholders.

1970: Earnings per share 3p.

have a crystal ball and we can't guarantee the future, we'd like to tell you about our growth and why the reasons for it should make you confident of our long term prospects.

### Many of our most valued assets go up and down in the lift each day

When Hanson Trust was born fifteen years ago it could easily have

1967: Earnings per share 1p.

In the past ten years Hanson Trust's earnings per share have grown by 1400%. And although we don't



MINING NEWS

Bethlehem Copper shuns Cominco bid

BY PAUL CHEESBRIGHT

VANCOUVER GROUP, Bethlehem Copper, has responded to Cominco's offer to buy the company...

MORE DRILLING BY TEXASGULF

Drilling starts shortly at Kidd Creek, near Timmins in Ontario, to establish the extent of mineralisation already known to exist near or mine owned by Texasgulf...

MALARTIC WOOS CAMFLO AGAIN

The potential Canadian gold producer, Malartic Bygrade, plans to start drilling on its property near Val d'Or in Quebec next month...

Morgan Grampian's record £2.1m. below budget

RECORD profits of £2.1m. before tax, compared with £1m., are reported by Morgan-Grampian for the year to March 31, 1977...

is to be re-titled Hi-Fi Buyers Guide and will be published monthly from September...

Fodor Travel Guides. These changes have been going on for some two years now and are beginning to take effect...

Several new directorates, all of which are linked to existing magazines, are currently being compiled for publication in 1978-79...

The opportunity for growth is substantial by maximising the profits of established magazines, by acquisition and by launching new magazines...

Although Morgan Grampian's more than doubled profits are not to be sniffed at, they were £1m. short of budget...

BIDS AND DEALS Borthwick talks continue

Thomas Borthwick, the most astute custodian account with the National Mutual Life Assurance Society for Matweys Holdings, the No. 7 account holds 450,000 shares...

ASSOCIATE DEALS

Flowers Rudd and Company announces that Purbeck Group has sold 25,000 Singal Holdings Ordinary at 17½p and a further 25,000 at 18½p...

CAVENHAM/GO

Cavenham has been notified by Prudential Assurance that following the transfer with effect from March 1, 1976 of the company's entire Indian undertaking to a new Rupee Company...

WILLIAMS HUDSON

Ordinary shareholders and holders of the 81 per cent convertible unsecured loan stock 1969-85 of Williams Hudson Group are reminded that the closing date of the offers by Argo Group SA is Friday, July 1, 1977 at 3.00 p.m.

SHARE STAKES

Cooper Industries - Poplars Lichfield, a company controlled by Mr. S. E. W. Cooper, has sold 25,000 Ordinary shares...

Pegler Hattersley well placed

AT PRESENT there is a weakness in some traditional markets where recovery may be slow but Hattersley is well placed to take advantage of any favourable situation which arises...

The building and construction industry was adversely affected by bad weather which persisted throughout the period, they add...

The building and construction industry was adversely affected by bad weather which persisted throughout the period, they add...

Marginal rise midterm by Vectis Stone

On turnover ahead from £3.45m. to £4m. pre-tax profits of Vectis Stone Group were little changed at £126,513 for the six-month period ended March 31, 1977...

The directors state that the level of activity in the current half-year has been encouraging and they anticipate that, subject to unforeseen circumstances, group profit for the year should be not less than the 1976 profit of £244,780...

The building and construction industry was adversely affected by bad weather which persisted throughout the period, they add...

Vinatex blast 'would outdo Flixborough'

DR. JOHN MARSHALL, a consultant scientist and engineer, told a public inquiry at Chesterfield yesterday that a nearby three times as powerful as the Flixborough explosion could be the result of an accident at the chemical complex at Slaveley, Derbyshire...

Bank agrees to take no more deposits

THE International Bank and Trust Company of the Middle East agreed in the High Court yesterday not to accept any more deposits from the public pending the outcome of a petition seeking the compulsory winding-up of the company...

International Banking

Much the greater part of our work is done with overseas customers or in foreign currencies, with the net results directly benefiting the U.K. balance of payments...

HICKING PENTECOST & CO. LIMITED PRELIMINARY FIGURES Results for the year ended March 31, 1977: Turnover £4,438,223 Profit before interest and taxation 471,321 Interest 50,791 Taxation 211,275 Dividends Interim 2.3 (1976: 2p) Proposed final 4.081p (1976: 3.5486p) Net earnings per 50p Stock Unit 8.84p 9.42p

THE BOURNEMOUTH AND DISTRICT WATER COMPANY OFFER FOR SALE BY TENDER OF £1,000,000 8 per cent. Redeemable Preference Stock, 1982 (which will mature for redemption at par on 31st July, 1982) Minimum Price of Issue - £99 per £100 Stock

ROUND-UP

In Australia, MJM Holdings is spending \$4m. (£2.57m.) to purchase Wood Hill 40 per cent of Collinsville Coal. This will make Collinsville a wholly-owned MJM subsidiary.

Hambros 1977 Mr. Jocelyn Hambro, M.C., reports to shareholders.

Results of the year The year just ended has been a most satisfactory one with disclosed profit before extraordinary items and after tax, at £7,320,000, the best yet achieved and 40% above last year...

Consolidated Financial Statement at 31 March 1977 Table with columns for 1977 and 1976, rows for Share capital and reserves, Current deposit and other accounts, etc.

Investment Banking

The most significant single event of our year was the flotation of Hambro Life Assurance. Otherwise, our activities were more orientated towards financial advice than the raising of capital...

Shipping

Last year's exceptional loss on shipping loans appears in our full accounts without any corresponding entry this year. We have, in fact, recovered part of certain other amounts previously provided against shipping debts...

Directors and Staff

I express my appreciation to our management and staff who in these difficult times have displayed great loyalty and patience. Among them Mr. H. N. Spoor, retiring after 26 years as a Director, deserves our special thanks.

Shipping, Investment Banking, Directors and Staff. Includes logo of Hambros Bank.

EXTENSION OF EEC FREE TRADE

Challenge to Israeli industry

BY ROY HODSON, recently in Israel

ISRAEL HAS only a few companies so far able to compete internationally in advanced metal working. Among them is Iscar which is exceptional in that it has even built up a thriving export business to U.S. and European zero engine makers in jet engine blades, a notoriously tricky item to make.

one way the young state might develop would be to enter the blessings of sun, sea, and oranges and lemons in the hedgerows, and to sink into the comfortable lethargy of an economy based upon natural benefits. Many such cases are to be found among the nations of the Mediterranean basin. But two years, the continuing hostility of the Arab nations backed by their petrodollars, and the restless energy of the Israelis have made nonsense of that possibility.

July 1 is a date of great practical and psychological importance in Israel's industrial expansion. For from tomorrow the European Community becomes a free market for Israel with the abolition of the remaining tariffs against Israeli goods. They have been reducing in stages for the past two years. The average tariff barrier was 7 per cent before the reductions started, but some items such as chemicals and textiles carried between 15 per cent and 20 per cent.

technology base can start in earnest. "If you cannot change the nature of the economy from within because of entrenched pressure groups such as the union, the farmers, and the older industries, then the only way is to break down the walls and let in the outside competitors..." that was how a Government official explained the strategy.

● Maximise use of local special strengths in industry based on agriculture and heavy equipment. ● The chemicals industry has a secure foundation on natural resources of phosphate, and bromine should be developed market. ● Capitalise on Israel's power.

NOTICE OF REDEMPTION To the Holders of ENTE NAZIONALE IDROCARBURI E.N.I. (National Hydrocarbons Authority) 6% Sinking Fund Debentures due February 1, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on August 1, 1977 at the principal amount thereof \$792,000 principal amount of said Debentures bearing the following serial numbers:

Table with columns for serial numbers and amounts, listing various debenture holders and their respective shares.

On August 1, 1977, there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment thereof in public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 12 Broad Street, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main office of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Allgemeine Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourg in Luxembourg-Ville.

ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, Fiscal Agent

Table with columns for serial numbers and amounts, listing various debenture holders and their respective shares.

The following Debentures previously called for redemption have not as yet been presented for payment: DEBENTURES OF U.S. \$1,000 EACH

He brought along the ideas which have made him one of the leaders of a growing band of industrial radicals in Israel. From key positions within the private sector of industry, from within the trade union movement (which actually owns about 25 per cent of Israeli industry), and from within the civil service, Mr. Wertheimer and others are planning a drive to base the economy firmly upon the export of the skills and products of high technology.

The Knesset is strange territory for Mr. Wertheimer. But he intends to make sure that the new Parliament is occasionally diverted from party infighting and preoccupations with defence during this summer in order to consider the social and economic implications of the changes which are even now, taking place in Israel's industrial economy.

The Likud bloc which emerged as the major party and formed the new Government this month has yet to announce its programme for industry. In its election campaign the party committed itself to bringing about a structural shift of manpower and resources away from services to production, particularly into industry where the main growth potential lies. With its liberal economic outlook, the Likud is in favour of giving the private sector a bigger role. There are many hard-headed businessmen in its ranks to give advice and Likud could give the sector a powerful boost.

After making a first tour of Israeli industry 14 years ago I then risked a prediction that

Growth

Much is likely to come out of Israel if the industrial reformers achieve their twin desires of channelling much more of the country's labour resources into industrial production while, at the same time, giving the industrial drive a welcome infusion of high technology by switching more of the country's formidable scientific strength from pure research into saleable development work.

Clearly mass production is not the answer. The Israeli solution now being backed by most industrialists, economists, and the Government, and being put forward for general acceptance, is to use high technology as the base for future industrial growth and to concentrate upon "tailor-made" products which will be competitive in even the toughest export markets. In view of these aspirations,

Although the abolition of the remaining tariff percentages will be welcome to Israel, the more considerable boost on July 1 will be psychological. For the first time since the formation of the State nearly 30 years ago Israel will have full and free access both to U.S. and to the almost equally big West European market.

Last year Israeli hopes of an industrial exports boom were buoyed up by an unusually high rate of growth of 26 per cent in the value of industrial goods exported. Meanwhile the country's exports of metals and electronics have doubled in two years. Those figures are being taken as evidence that the advanced Israeli industries are already in good shape to take up the challenges offered by free access in all the Community member states. The process of strengthening Israel's trade ties, marketing and sales and servicing organisations in the Nine has already begun and is expected to quicken perceptibly.

July 1 will also mark the beginning of the end of protection for Israeli industry in its home market. Under the Israeli-EEC agreement the import tariffs of Common Market goods sold to Israel will be dismantled over a period. The process is to be completed by the mid-1980s.

The trade unions are going along with the free trade policy. They are persuaded that there is no sensible alternative if Israel is to avoid being discriminated against in European markets. It is doubtful whether the movement generally realises yet just how far the new industrialisation wave will go if it is not blocked by a war, a recession or lack of will to succeed.

To symbolise a fresh Israeli approach towards industrialisation Mr. Wertheimer wants to build a new town in Galilee. It would be a national centre for scientific and high technology industry. The site has already been chosen: a bare hill with a distant view of the sea. Nearly 1,000 prospective townspeople assembled there recently. They are chosen the name, Rosetown.

Fighter

There would be much in common between Rosetown and the post-war British new towns. But for Israel Rosetown would be a radical departure. The State was settled by the kibbutzim movement and the 500 kibbutzim flourishing to-day exist fundamentally as societies upon which work activities are grafted on as necessary for food and comfort. Rosetown, in contrast, would exist as an industrial centre in which people would be welcome to participate. If Rosetown is built Israel can be judged to be well on the way to her new high technology way of life.

An example of combi sophisticated agricultural chemicals experience is vided by a company c. Platan. It processes medic plants gathered from r parts of the world into pharmaceutical base materials. Rec the plants have been introduced to Israel and are now b grown there on a comme scale to supply the comp. The foundations have thus constructed for an industr supply plant-derived pharmaceutical world-wide I Israel.

Another company, Scitex, harnessed the skills of Isc fledgling computer industry, the traditional fashion fat a distant view of the sea. Nearly 1,000 prospective townspeople assembled there recently. They are chosen the name, Rosetown.

The most sensitive issue fronting Israel's aspiring industrialists now is to win science away from pure research industrial research and development. The entire country spends \$U.S.50m. a year non-military industrial R and. That is less than Lockheed. Following a report year by Professor I. Ya'ak the chief Government scientist the Government has agreed that there is a need to get m practical returns from Isra impressive research institute. On his advice the Governm is now only giving financial support to "directed research with an end benefit in view." "One of our problems is th our scientists love research its own sake," said Ya'akov.

In the final analysis Isra industrial progress will depend upon shifting people as well resources into the industry sector. That will not be ea Banking, administration, search, and academic life, a all at present preferred industrial careers.

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Singapore Girl. Gentle hostess in her sarong kebaya. Let her take you across half the world and more. She'll care for you as only she knows how. SINGAPORE AIRLINES



WALL STREET OVERSEAS MARKETS Off another 4.4 in early trading FOREIGN EXCHANGES Dollar weaker GOLD MARKET

BY OUR WALL STREET CORRESPONDENT

THE DECLINE continued on Wall Street today, although the market was slightly above the worst. Following the decision by nine OPEC members to cancel a planned 5 per cent oil price increase...

By 11 a.m. the Dow Jones Industrial average was down another 4.4 to 811.21 and the NYSE All Common Index shed 30 cents to 107.45, while declining stocks outnumbered advances by nearly a two-to-one majority.

Canada again lower With the exception of golds, economic news, including prospects of an economic slowdown in...

Table with columns for Stock, Closing, Change, High, Low, Volume. Includes sections for NYSE, NYSE Composite, and NYSE Industrial.

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OVERSEAS SHARE INFORMATION

Table with columns for Stock, Price, Change, High, Low, Volume. Lists various international stocks such as Anglo American, Anglo Japanese, Anglo Siam, etc.

round in moderate trading on Canadian Stock Markets yesterday morning. The opening coincided with a report from the Commerce Department that the May Index of Leading Economic Indicators...

Some major stocks continued to be depressed on the uncertainty of steel demand in the months ahead, although Republic Steel of St. Louis, said today it is confident of its second half market.

Other Markets The American SE Market edged into down 0.35 to 110.24, while the volume approximated 1.43m. shares.

Table with columns for Stock, Closing, Change, High, Low, Volume. Lists various international stocks such as Anglo American, Anglo Japanese, Anglo Siam, etc.

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INVESTMENT PREMIUM BASED ON \$2.60 PER £=141% (112%)\*

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ception of Nationale Nederlanden which shed Fr.0.20 to 0.15. Heleneke rose Fr.0.20 and Dell State Funds were very steady after news of the 100.9 per cent issue price put on the latest COPPER-LEN-LOWER over a broad front in active dealings.

PARIS - Market retreated further across the board on additional profit-taking. Banks, Foods, Motors, Construction, Engineering, Oils, Chemicals and Public Utility Electricals, all lost ground.

Other Markets The American SE Market edged into down 0.35 to 110.24, while the volume approximated 1.43m. shares.

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Speculation surrounding the U.S. economy had a further depressing effect on the dollar in yesterday's foreign exchange market, and most major currencies benefited from this current weakness.

With the dollar allowed to slide, Sterling tended to ease in line, and its rate weighted index which is calculated by the Bank of England, showed a steady decline from an opening level of 61.3, the same as Tuesday's close.

Other Markets The American SE Market edged into down 0.35 to 110.24, while the volume approximated 1.43m. shares.

Table with columns for Stock, Closing, Change, High, Low, Volume. Lists various international stocks such as Anglo American, Anglo Japanese, Anglo Siam, etc.

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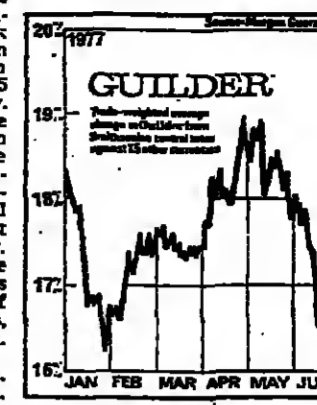
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INVESTMENT PREMIUM BASED ON \$2.60 PER £=141% (112%)\*

Table with columns for Stock, Price, Change, High, Low, Volume. Lists various international stocks such as Anglo American, Anglo Japanese, Anglo Siam, etc.





INTERNATIONAL FINANCIAL AND COMPANY NEWS

Mexican loan successful

Francis Ghiles. \$200m. LOAN for the state Mexican development... National Financiera has increased to \$400m. a figure some bankers feel may not be reached.

KRAFTWERK UNION N-plant building worries

By Jonathan Carr. KRAFTWERK UNION (KWU), up to DM4.7bn. from DM1.46bn. West Germany's leading power station building company...

Merck expecting higher prices

By Guy Hawtin. WEST GERMAN pharmaceuticals prices are likely to rise by between 2 and 2.5 per cent. according to Ernst Merck of Darmstadt...

Cheltenham & Gloucester Building Society. Notice is hereby given in accordance with the Rules of the Society that as from 1st July 1977 the rates of interest payable by the Society on investments and savings will be as follows:

The order intake last year looks particularly impressive at DM12.1bn. against DM8.4bn. in 1975. But the 1976 figure includes widely publicised major deals with Iran and Brazil, for which agreements were signed in previous years...

AUSTRIAN COMPANIES OMV report higher sales and profit

By Paul Lendvai. THE AUSTRIAN State oil corporation, OMV, is increasing its dividend from 7 per cent to 9 per cent on the 1976 results. The company reports an increase of turnover from Sch.19bn. to Sch.22bn. and a rise of the consolidated balance sheet from Sch.17.9bn. to Sch.19.9bn.

Eurofima profits rise

By John Wicks. ZURICH, June 29. PROFITS OF EUROFIMA, the statutory dividend of 4 per cent. Basic-based company for the increased share capital financing of railway rolling stock, rose to Sw.Frs.16.7m. last year, from Sw.Frs.13.8m. the previous year.

Crédit Industriel et Commercial. LONDON London Wall EC2M 5NE Phone: 638.5700 (19 lines) Telex: 886.725-885.068 Foreign exchange telex 888 959 Canonex Ldn

Our five-year annual average growth rate is over 30% compound. Scotcros will continue to grow. Mr. W. R. Alexander, Chairman. Year ended 31 March 1977 1976 1975 1974 1973 Sales £20,099 12,770\* 11,161\* 9,815\* 5,497\* Profit before taxation 1,182 731 600 521 280 Earnings per ordinary share 9.2p 6.5p 5.0p 4.2p 3.7p

Work on hand at LTA reaches R267m. By Richard Rolfe. JOHANNESBURG, June 29. LTA, the big construction group which handled much of the Cabora Bassa contract and in which Anglo-American Group companies are the main shareholders, has raised pre-tax profits from R7.7m. to R7.9m. and entered the current year in what appears to be a relatively strong position, with uncompleted work on hand amounting to R267m. at March 31 compared with R224m. the previous March.

I.U. OVERSEAS FINANCE N.V. (Incorporated with limited liability in the Netherlands Antilles) U.S. \$35,000,000 8% per cent. Guaranteed Bonds due 1987. Payment of principal, premium (if any) and interest is unconditionally and irrevocably guaranteed by IU INTERNATIONAL CORPORATION (Incorporated with limited liability in the State of Maryland, U.S.A.) Issue Price 100 per cent.

The Kingdom of Sweden. U.S. \$100,000,000 7% Notes 1982 U.S. \$100,000,000 8% Bonds 1987. The following have agreed to subscribe or procure subscribers for the above Notes and Bonds: Credit Suisse White Weld Limited, Skandinaviska Enskilda Banken, PKbanken, Svenska Handelsbanken, Deutsche Bank Aktiengesellschaft, Dresdner Bank Aktiengesellschaft, Kredietbank S.A. Luxembourgeoise, S. G. Warburg & Co. Ltd.

كندا والاصل

THE JOBS COLUMN

Tough task in Southwark—New chief for Ruberoid

BY MICHAEL DIXON

"THERE'S SURELY no objective reason why it can't be made to work," says Peter Challen, who might be called a professional idealist, and is currently in need of a manager with imagination as well as business experience.

Now to judge by past experience, most readers are likely to react with a hollow laugh to the mention of job creation schemes. Although these are to be extended (under the new name: Special Temporary Employment Programme) now that the Cabinet has approved the Manpower Services Commission's new proposals for countering teenage unemployment, the schemes are widely viewed as a governmental device for organising youngsters to waste their time and the taxpayers' money for the main purpose of subtracting them from a few months from the unemployment statistics.

I think Peter Challen would agree that, in the case of many job creation projects, this image is deserved. But his reaction would not be a hollow laugh so much as a snort of impatience, because he believes that the schemes could be made to work so much better and to the lasting benefit not only of the community in which they are run, but also of the national economy.

Under its present chief executive, Bill Humphrey, the project has added a shop to its "factories" in premises lent by Sainsbury's in Southwark, just over half a mile south of Thames. In addition, groups such as Shell and Unilever deliberately setting out to work with unmotivated youngsters, occasionally in their local offices.

necessarily conform to their rules." The immediate task for the newcomer is continuing Elephant's progress. "One of our successes is that of the 110 or so young people who have been with us to date, none has gone back off the project into the dole queue," Peter Challen claims, "and we have got to keep that up."

As for the long-term, the objective of becoming fully self-supporting, although postponed, has certainly not been cancelled. "The resources for generating viable operations are there," Canon Challen says. "For instance, there is a million square feet of empty work space in buildings just in the north part of Southwark. There's a lot of unemployed people. And there surely must be good ideas lying dormant here as well."

He sees the essentials for the job as business acumen, experience of managing people aged 16 to 25 (especially the unmotivated sort), and the confidence to represent the project's interests to the staff of the Manpower Services Commission. "To be honest, they're inclined to be a bit bound by bureaucratic rules, so we need to make them see that young people do not

only executive member of Ruberoid's main Board. The 1,600-employee group has a turnover of £30m-plus in building products, construction contracting, paper and plastics. For 1978, it reported pre-tax profits of £738,646, compared with a depressed £430,736 in 1976.

Finance head ANOTHER qualified accountant is being sought by the Financial and Executive Management Agency to become officer of the Lendit Institution of Productive Enterprises, which has not yet recruited its 12 regional offices. The recruit will be a four executive staff, he is responsible for all 12 regional offices.

Computer field A QUALIFIED accountant is wanted by consultant David Mason-Johns, of Laurie and Co., to take charge of financial control and management

FINANCIAL CONTROLLER FOR BANK WEST END OF LONDON FIVE FIGURE SALARY + CAR + BENEFITS Bank Leumi (UK) Limited, the UK subsidiary of the largest Israeli Bank, is engaged in a major phase of expansion.

Ruberoid Limited GROUP MANAGING DIRECTOR Intended to recruit a successor to the present Managing Director, who is aged 60. The successful applicant will be appointed to this post on engagement.

FINANCIAL CONTROLLER London ECI c £7000 A subsidiary of one of the world's leading international conglomerates our profitable communications industry client turns over \$3 million.

Systems Consulting City To £7,250 Our clients, with a turnover in excess of £250m, are world leaders in their specialist sphere of operations.

Euro Loan Syndication Paris-based international bank offers key position to outstanding executive in this field who has successful record in business acquisition and negotiation with borrowers.

FINANCIAL CONTROLLER Yorkshire £9,000-4 car Highly respected manufacturing group, with an eight figure turnover and an impressive record of sustained growth.

West of Scotland Financial Controller circa £8000 plus car A small well-established public Engineering Company with a current turnover of approximately £10 million.

01-439 1701 On behalf of clients we require Traders (Physical & Financial), Community Executives, Accountants, Bankers, Clerks, Trainers, Teachers, etc. UK, USA & Hong Kong.

Investment Analyst London EC2 Circa £6,500 p.a. A leading international firm of stockbrokers is seeking an Analyst with knowledge of and familiarity with international stockmarkets.

ACA/ACCA The Gulf A major international food company wishes to appoint a recently qualified ACA/ACCA as Company Accountant to a new subsidiary in Sharjah, a rapidly developing port in the United Arab Emirates.

INTERNATIONAL BOND TRADER A London-based International Investment Bank subsidiary of a large American Commercial Bank requires an experienced Bond Trader to complement its already established and successful Deal Department in International Securities.

Economic International... Gro... Finan... Direc... Various vertical text on the right margin.

# Economist International Bank

Our client is an international bank expanding fast in three continents. The current requirement is for one or more economists to monitor, tabulate and analyse developments in the Ecomarkets and in Middle East banking and finance.

To be eligible you should be well educated, literate and experienced in the practical aspects of banking and money matters. Research experience, preferably financial, will be useful. There is much scope for initiative in analysis and for innovation in the presentation of facts.

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The activities of the Group cover all types of construction, the manufacture of building products and property development, both in the UK and abroad.

The person we are looking for should have the confidence and capacity to co-operate successfully with senior operational management in such areas as market investigation and project appraisals. He or she is likely to be in the mid to late twenties, a graduate, preferably with an economics background but evidence of an orderly and intelligent approach to business problems and the ability to write clearly and concisely is more important than the subject matter of the degree.

An attractive salary package will be offered to the right person. If you think you satisfy the above requirements, please write to:

M. Fowler, Personnel Manager  
Group Personnel Services  
John Laing and Son Limited  
Page Street, Mill Hill, London NW7 2ER.

LAING

## Graduate Opportunity

### FOREIGN EXCHANGE DEALING

We have an opportunity for a young woman or man, who has recently graduated, to train as a Foreign Exchange Dealer.

You must possess a high degree of numeracy and be fluent in one or more foreign languages.

In addition to a competitive salary, fringe benefits will include L.V.s of 50p per day, House mortgage assistance, contributory Pension Scheme and free Life Assurance cover.

Please write giving full but concise details of experience and career to date, to:-

J. A. Newman, Assistant Staff Manager,  
Kleinwort, Benson Ltd, 20 Fenchurch Street, London EC3P 3DB.

KLEINWORT, BENSON  
Merchant Bankers

## Investment Banking Executive

Hill Samuel & Co Limited require an Executive for their Investment Banking Division, to assist in the development of its merger and acquisition business in the UK and overseas.

The Executive will join a small team whose objective is to initiate mergers and acquisitions by locating and matching companies and by acquisition research on behalf of clients.

The successful candidate, who may well be working in the research department of a firm of stockbrokers,

should have had considerable research experience relating to both European and UK companies. Applicants must demonstrate that they have original ideas, and an analytical mind. Ideally, they should be under 30 and a knowledge of some German or French would be an advantage.

Please send full career details to:  
R.G.G. Gardner,  
Personnel Manager  
Hill Samuel & Co Limited  
100, Wood Street  
London EC2P 2AJ.



## ASTLEY & PEARCE Dublin

Require a Foreign Exchange Broker, aged 20-30, with Dealing or Broking experience. Salary negotiable.  
Please write in confidence to:  
The Managing Director,  
Astley & Pearce Ltd.,  
20 St. Swinchins Lane,  
London EC4N 8EN  
01-626 2486.

## INTERNATIONAL FOREIGN EXCHANGE AND CURRENCY DEPOSIT BROKERS

Require Experienced and Trained Staff for their London Office.  
Please write Box A.6002,  
Financial Times,  
10, Cannon Street, EC4P 4BY.

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The principal responsibility is to manage the corporate tax affairs of a major public company with a turnover of over £500m., a third of which is earned overseas. The business activities are diverse, and it therefore calls for an intelligent, intensely practical approach to the commercial and technical problems which UK and international tax laws impose.

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The salary package is negotiable and will be attractive to the most experienced and competent tax specialists. It will include a company car and other excellent fringe benefits.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications. Please write to: Or. I. Bowers (ref. 622/8).

Deloitte, Haskins & Sells, Management Consultants,  
P.O. Box 207, 128 Queen Victoria Street, London EC4P 4JX.

## TAX PLANNING— PARTNERSHIP

London W.1. from around £8,000

A progressive specialist partnership seeks a young accountant to strengthen the staff advising personal clients on financial matters, including tax planning, investment management and giving general financial advice. Salary is widely negotiable according to candidates' seniority and experience.

Candidates should be Chartered Accountants, aged 25-29, with exposure to tax before qualifying and concentrated recent UK personal tax experience. The intention is that the person appointed should be capable of becoming a partner within a year or two; the prospect of partnership is enhanced by the firm's recent and forecast growth.

For a fuller job description, candidates should write to A. R. D. MacDonnell, at Jobo Courts and Partners Ltd., Executive Selection Consultants, 78 Wigmore Street, London W1M 9DQ1, stating briefly but explicitly their relevance and quoting reference 519/FT.

JC&P

## INVESTMENT ANALYST ELECTRICALS/ELECTRONICS

Joseph Sebag & Co. has a vacancy in its Research Department for an analyst to take charge of the Electricals and Electronics sectors. The essential requirements are a university degree or professional qualification. Candidates should either have experience of investment analysis gained in the City or be employed in the industry on analytical/financial work; they should be able to express themselves concisely and persuasively both on paper and personally. The work will involve frequent contacts with top industrial management and discussion of conclusions with institutional clients.

In addition to a number of valuable fringe benefits, the salary to be paid will depend on age and experience but will be fully competitive.

Please reply, giving a brief C.V., to P. Meredith, Joseph Sebag & Co., 3 Queen Victoria Street, London, E.C.4.

## CREDIT ANALYSIS

A major London-based Merchant Bank wishes to fill the following positions within its Credit Department:

**CREDIT SUPERVISOR** — responsible for the supervision and training of analysts in the Bank's Credit Department. The responsibilities include review of the bank's loan portfolio, analysis of new business propositions, production of information memoranda for syndicated Eurocurrency loans and preparation of country economic reports.

Candidates, male or female, should have not less than three years' experience of Eurocurrency credits with specific reference to analysis of corporate credits. A knowledge of Spanish and Portuguese, whilst not essential, would be advantageous.

**CREDIT ANALYST** — to work with a small team of analysts concentrating mainly on the evaluation of corporate lending proposals.

Candidates, male or female, should have a minimum of two years' experience of credit analysis, preferably including a formal credit training programme with an American bank.

For both positions an attractive salary and fringe benefits are offered. Please submit curriculum vitae to Box No. RD, 4185 c/o Exel Advertising & PR Services Ltd., Pemberton House, East Harding Street, London, E.C.4.

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The personnel consultancy dealing exclusively with the banking profession.

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- LENDING OFFICER O/I/ (Shipping Specialization) c.£9,000
- CREDIT ANALYST.....c.£7,000
- A.C.A. (CORPORATE FINANCE) c.£5,000
- LOAN ADMINISTRATION.....c.£4,000
- FOREIGN SECURITIES.....to £3,000
- DOC. CREDIT MANAGER.....c.£7,500
- DOC. CREDIT SUPERVISOR.....c.£6,000
- F.X. DEALER.....c.£6,500
- CHIEF ACCOUNTANT (A.C.A.).....c.£7,000
- MANAGEMENT ACCOUNTANT (A.C.A.).....c.£6,000
- ACCOUNTS ASSISTANT.....£3,500+
- AUDITOR.....c.£4,500

For further details, please contact KENNETH ANDERSON Director

Jonathan Wren & Co Ltd, 170 Bishopsgate, London EC2M 4LX 01-623 1266

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For an expanding public company, a leader in the manufacture of specialist textiles, based in a pleasant, rural area. The group has subsidiaries in the United Kingdom, Ireland and North America.

This new appointment to improve financial planning and management reporting procedures arises from the company's expansion.

The group financial director, who must be strongly self-motivating, will be responsible to the managing director for the preparation of long term financial plans, budgets, management reports and the control of the accounting and secretarial departments.

Candidates must be qualified accountants, preferably experienced in industry and with a practical knowledge of acquisitions.

Write in confidence, quoting reference 3301/L to: N. C. Griffin,

Peat, Marwick, Mitchell & Co., Management Consultants, 11 Ironmonger Lane, London, EC1V 8AX.

## BICC Group Accounting

Central London Salary c.£6,500

Following a reorganisation of the Group Head Office Finance Function, a qualified accountant is required to join the Group Accountants' Department which is primarily responsible for the operation and improvement of group budgeting and management accounting systems, preparation of group published accounts and for monitoring and advising group companies on compliance with Accounting Standards and Stock Exchange requirements.

Suitable candidates will be qualified accountants with experience of either the consolidation of accounts for an international group of companies or the operation of group management accounting systems.

Conditions of service are consistent with those of a major international group and include performance related bonus additional to basic salary and 24 days holiday. Assistance with re-location expenses is available.

Applicants are invited to write giving details of age, qualifications and experience to:-

Mr C. Garnett  
Personnel Manager,  
BICC Ltd.,  
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Applications should be sent to the Managing Partner, Fielding, Newson-Smith & Co., 31 Gresham Street, London EC2V 7DX.

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Valuation Clerk  
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in their Private Clients Dept with experience of Computer Input & C.G.T. Salary and Bonus negotiable. L.V.s. Non-contributory Pension Scheme. Please ring Mrs. Wardley 01-242 2348.

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### A RESEARCH ASSISTANT

to study U.K. and overseas markets and leading stocks, and to produce written material to a high standard. The successful applicant should preferably already have some experience in this field.

Write in strict confidence with a summary of your experience, etc., to D. B. S. Howard, Charles Stanley & Co., 18, Finsbury Circus, London, E.C.2.

## EDITOR

The publishers of The Review, the leading international insurance journal require an editor to work with the managing editor. The function of the editor will be to control all aspects of editorial production and also to generate news and technical insurance copy. Financial journalistic experience would be advantageous, preferred age 25-35. Salary by negotiation. Write in the first instance with career details to the Publishing Director.

United Trade Press Ltd.,  
42/43 Gerrard Street, London W1V 7LP.



COCAOA AND RAW RUBBER

Cocoa crop 'premature'

HEAVY ABOUT the effect of weather earlier this year on cocoa production is beginning to look premature...

China's cotton challenges

HONG KONG, June 28. TWO leading cotton provinces, Hubei and Hunan, have issued challenges to other provinces and urged to increase cotton production...

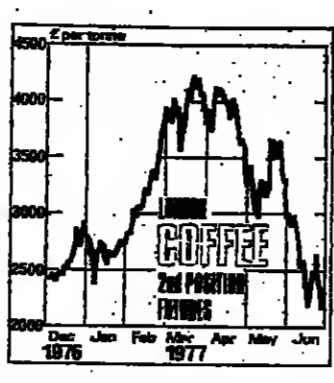
Oil sale to VA rumoured

DE JANEIRO, June 29. SOURCES here are uncertain whether the U.S. will purchase of Brazilian oil reports...

New York move to head off coffee 'corner' threat

BY RICHARD MOONEY

EMERGENCY ACTION has been taken by the New York Coffee and Sugar Exchange in an attempt to ease the tightening squeeze in the prompt July coffee futures position...



The damage is already done, one dealer commented. The move is not expected to influence the London prices directly...

U.S. strike fears rally copper

COPPER PRICES rallied strongly yesterday, after two days of declining, as sentiment changed regarding the prospect of a strike by U.S. copper workers...

But most coffee trade sources now concede that even if this is the case a resurgence of apparent consumption once the stocks are used up seems unlikely...

'LITTLE NEDDY' ON AGRICULTURE The missing key to farm expansion

BY CHRISTOPHER PARKES

THE FARMING industry has all the men, the land, and all the technical resources it needs to boost production of home-grown food and cut the country's food import bill by millions...

The main report - Agriculture into the 1980s - Resources and strategy - says that net agricultural output this year is expected to be 20 per cent less than two years ago...

Banned

Ignored by the general 'bullish' sentiment was confirmed in a Reuters report that Japanese refiners are seeking Government permission to resume limited exports of surplus copper...

For the moment, however, the market is dominated by the U.S. copper strike prospects, and prices are likely to follow every twist and turn in the negotiations between the copper companies and the unions.

Zambia lead cutback

COPPER was the main influence boosting general rise in metal prices yesterday, but it was also helped by the announcement of a cutback in Zambian lead shipments from July 1...

The cutback is the result of production problems caused by the collapse of a cooling tower providing a partial furnace for Consolidated Copper Mines' lead smelter for its Broken Hill mine output...

India sets higher grain target

THE INDIAN Agriculture Ministry has fixed a target of 125m. tonnes of foodgrains for 1977-78, well above the 114m. tonnes reported last year...

Other areas are to be helped by introduction of better crop pattern, credit to farmers to buy inputs and plant protection measures...

Japan-Australia sugar walk out

BY OUR COMMODITIES STAFF

LATEST EFFORTS by the Japanese to revise the terms of the long-term sugar contract with Australian suppliers collapsed when Mr. John Laurie, chief negotiator for the Australian sugar growers, walked out of the Tokyo talks with Japanese refiners, reports Reuter...

SUGAR FUEL STUDY REQUEST

EXPERTS FROM the Organisation of American States are to study the possibility of using alcohol from fermented sugar cane as fuel. The study will be undertaken at the request of the Jamaican government...

WHEAT

WHEAT prices were generally steady in the afternoon when the reports are generally lacking in offers, reports Agri.

SOYABEAN MEAL

Dealers said the market became to encourage fresh trading interest and dealings were very thin. Prices posted were generally steady...

SUGAR

THE MARKET reached the high point of the week for futures prices when the early hour trade selling forced prices down by 200 points, reports C. Casarovic...

WOOL FUTURES

WOOL FUTURES prices were generally steady in the afternoon when the reports are generally lacking in offers, reports Agri.

MEAT & VEGETABLES

MEAT & VEGETABLES prices were generally steady in the afternoon when the reports are generally lacking in offers, reports Agri.

COMMODITY MARKET REPORTS AND PRICES

Table with columns for Commodity, Price, and Change. Includes items like Tin, Lead, Zinc, and various grades of metal.

PRICE CHANGES

Table showing price changes for various commodities like Tin, Lead, Zinc, and others.

U.S. Markets

Table showing U.S. market prices for various commodities like Copper, Silver, and Grains.

Advertisement for 'SE METALS' with contact information and details about metal trading.

nsational - 22 more pages

Advertisement for 'nsational' newspaper, highlighting its international focus and subscription details.

MPANY NOTICES

Company notices section containing various financial and legal announcements from different organizations.

US \$30,000,000 8 1/2% Bonds due 1985

Advertisement for US \$30,000,000 8 1/2% Bonds due 1985, detailing the offering and subscription process.

THE REPORT AND ACCOUNTS 1976 OF NATIONALE-NEDERLANDEN FINANCE CORPORATION

Advertisement for the 1976 report and accounts of Nationale-Nederlanden Finance Corporation.

SILVER

SILVER prices were generally steady in the afternoon when the reports are generally lacking in offers, reports Agri.

COFFEE

COFFEE prices were generally steady in the afternoon when the reports are generally lacking in offers, reports Agri.

COCOA

COCOA prices were generally steady in the afternoon when the reports are generally lacking in offers, reports Agri.

RUBBER

RUBBER prices were generally steady in the afternoon when the reports are generally lacking in offers, reports Agri.

GRAINS

GRAINS prices were generally steady in the afternoon when the reports are generally lacking in offers, reports Agri.

JUTE

JUTE prices were generally steady in the afternoon when the reports are generally lacking in offers, reports Agri.

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FINANCIAL TIMES

Table showing financial data for the Financial Times, including revenue and profit figures.

REUTERS

Table showing Reuters financial data, including revenue and profit figures.

DOW JONES

Table showing Dow Jones financial data, including revenue and profit figures.

INDICES

Table showing various market indices and their values.

STOCK EXCHANGE REPORT

Lessened BP activity in generally subdued markets Index down 2.4 at 456.2—Short-dated Gilts quiet and easier

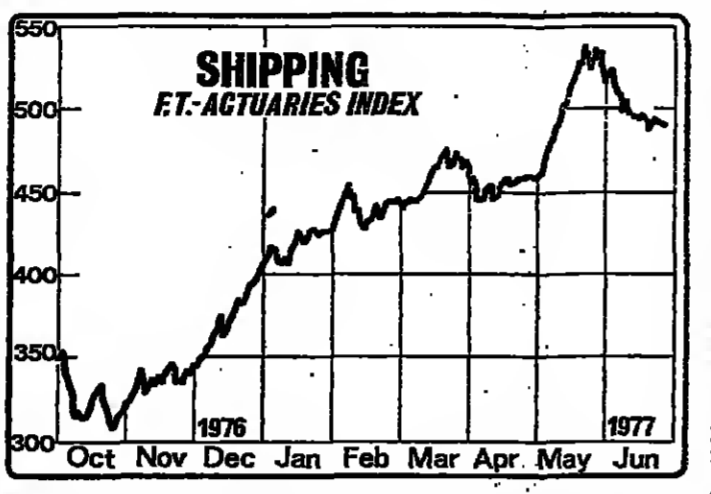
Account Dealing Dates Option First Declara- Last Account Dealings tions Dealings Day Jun. 13 Jun. 23 Jun. 24 July 5 Jun. 27 July 7 July 8 July 19 July 11 July 21 July 22 Aug. 2

With BP still the centre of interest despite a slackening in activity yesterday, London stock markets opened on a slightly easier note following the disappointing overnight performance in the BP share price on Wall Street in line with that on the exchange's drab showing on gloomy prognostications for the U.S. economy.

British Funds also moved narrowly and, despite sterling's continued firm showing, quotations here ended with losses to 1/4 after 1/2 in short-dated issues with the index closing unchanged after being 1/2 off the Government Securities index shed 1/2 further to 68.19.

Official markings fell from the previous day's 5,000 with those in Oils nearly halved from 1,280 to 707, which is still substantially in excess of normal markings.

Shares passed a quiet session and closed slightly easier for choice. Gussies A gave up 4 to 23p and W. E. Smith relinquished 5 to 54p. Courts (Furnishers) and the A. both lost 3 to 78p and 77p respectively on the disappointing annual results. Owen received 3 to 60p and Maxim Fashions lost 2 to 6p. Leading Electricals often closed with minor losses. EMI, 22p, and GEC, 19p, both shed 3, but the Plessey held at 87p and Thorn



issues managed penny improvements at 300p for the Ordinary and 305p for the A. Recent disenchantment with Reynolds' work were still in progress. Trust Houses Fortic continued to figure prominently in Hotels and Caterers, rising 7 to 153p for a two-day gain of 15 on further consideration of recent Press comment; the interim figures are due on July 5.

Following Tuesday's loss of 14 on news that the bid failed and more to 56p. Elsewhere on the bid front, Redfern National Glass contrasted with a rise of 5 to 21p, after 21p, on hopes that the discussions with an unnamed foreign suitor would be successful.

amount to 27p premium. Diploma Investments put on 7 to 107p and Snellics Speakman 4 to 45p. The leaders tended a few pence lower, but Reed International lost an exceptional 7 to 188p. Lucas Industries remained an offer, losing 9 to 288p for a two-day loss of 18 on growing concern over the heavy's current labour troubles. Other Motors and Distributors, however, were often better where changed. York Trailer improved 4 to 43p, while Houchens, 12p, and Airway Streamlines, 52p, put on 2 and 3 respectively.

Among Publishers, Morgan Grennan rose 6 to 110p on the good annual profit. Elsewhere, Thomson encountered profit-taking and, at 607p, lost the previous day's improvement of 8. Although there was another substantial business in British Petroleum oil and new shares, trading quietened considerably compared with the previous two days. The oil opened at 930p and drifted down to close a net 10 off at 820p, while the substantial 1975 shares ended with a similar loss at 370p. Elsewhere, Shell declined 12 to 510p on news that the Government has ordered Shell and Esso to close down the Brent North Sea oilfield to avoid wasteful nature of its fire-off operations. Other Oils tended mixed.

Overseas Traders were notably worthy only for a rally of 3 to 221p in Gill and Duffus following the previous day's reaction of 6 on fading bid hopes. Investment Trusts movements were generally limited to a penny rise in the 1975 shares, finished marginally better at 51p, but Scottish Eastern, 111p, and Scottish National, 117p, both closed 1/4 cheaper. Financials were noteworthy for an advance of 4 to 57p in the 1975 shares, which were supported by Malayan Tin, which put on 3 to 260p, Tronoh, which gained 2 to 133p and Hongkong, which rose the same amount to 97p. Tanjong were unchanged at 60p, despite the chairman's closing statement.

The coal-producing Oakbridge added 2 to 12p, while MIM Holdings closed unchanged on balance at 195p, after 193p. The recent firmness in Tins continued with Ayer Hitam 10 better at 350p and Southern Malayan 5 higher at 185p. New Highways were supported by Malayan Tin, which put on 3 to 260p, Tronoh, which gained 2 to 133p and Hongkong, which rose the same amount to 97p. Tanjong were unchanged at 60p, despite the chairman's closing statement.

FINANCIAL TIMES STOCK INDEX

Table with columns for various stock indices: Investment Sec., Fixed Interest, Industrial Ordinary, Debt Mkt., Ind. Pr. Ind., etc. Values are listed for various dates.

HIGHS AND LOWS S.E. ACTIVE

Table with columns for High, Low, High, Low, S.E. Active, etc. Lists various stock prices and movements.

ACTIVE STOCKS

Table with columns for Stock, Denomina- tion, Closing price, etc. Lists active stocks and their prices.

NEW HIGHS AND LOWS FOR 1977

Table with columns for Place, Stock, etc. Lists new highs and lows for 1977.

RISES AND FALLS YESTERDAY

Table with columns for British Funds, Corporate, etc. Lists rises and falls from yesterday.

History TODAY

Edited by Peter Quennell and Alan Hodge

TWO BISHOPS OF WINCHESTER

Diana E. Greenway

In the thirteenth century one of the Bishops in this important see was a rich and noble monk; the second a warrior accountant turned prelate.

THE AFTERMATH OF NIVELLE

John Terraine

The Allied offensive in spring 1917 promised victory but ended in failure and mutiny.

'WRITING NEWS AND KEEPING COFFEE-HOUSES'

Michael Glover

Wellington complained that 'we are the most indefatigable writers of letters in the world.'

AENEAS SILVIUS PICCOLOMINI: HUMANIST AND POPE

Neil Ritchie

As advocate, diplomatist and historian, Aeneas Silvius was a much-travelled international figure before he became Pope.

FROM OUR OWN CORRESPONDENT: FLORA SHAW ON THE KLONDIKE

Stephen Usherwood

Her lively reports on the goldfields of Yukon began to appear in August 1898.

THE TROUBLES OF THE YORKSHIRE PLUMPTONS

K. R. Dockray

A West Riding family of Percy retainers whose land-holdings suffered from the Wars of the Roses and from legal disputes.

STEPHEN DUCK, THE THRESHER POET

Michael Paffard

During the 1770's when 'all people from the duke's coronet to the thresher's flail' were 'desirous to be poets,' the modest and unassuming Duck achieved considerable fame.

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RECENT ISSUES

EQUITIES

Table with columns for Issue Price, Amount, etc. Lists recent equity issues.

FIXED INTEREST STOCKS

Table with columns for Issue Price, Amount, etc. Lists fixed interest stocks.

'RIGHTS' OFFERS

Table with columns for Issue Price, Amount, etc. Lists rights offers.

OPTIONS TRADED

Table with columns for Deal, Declara- tion, etc. Lists options traded.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS

Table with columns for Index No., Div. Yield, etc. Lists equity groups and their indices.

FIXED INTEREST PRICE INDICES

Table with columns for British Government, etc. Lists fixed interest price indices.



AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of authorised unit trusts including columns for fund name, manager, and performance data.

Table of offshore and overseas funds including columns for fund name, manager, and performance data.

READERS AND LAGGARDS

Table showing percentage changes for various sectors like Chemicals, Heavy, and Shipping.

BASE LENDING RATES

Table listing base lending rates for various banks and financial institutions.

INSURANCE, PROPERTY, BONDS

Table of insurance, property, and bond offerings including fund names and details.

CLIVE INVESTMENTS LIMITED advertisement with contact information and a table of insurance base rates.



FT SHARE INFORMATION SERVICE

Table with columns for Stock, Price, and various financial metrics. Includes sub-sections like 'Share's Lives up to Five Years' and 'Five to Fifteen Years'.

CANADIANS table listing various Canadian companies and their share prices.

BANKS AND MIRE PURCHASE table listing banks and their share prices.

BEERS, WINES AND SPIRITS table listing beverage companies and their share prices.

BUILDING INDUSTRY, TIMBER AND ROADS table listing construction and infrastructure companies.

BUILDING INDUSTRY - Continued table listing more construction companies.

CHEMICALS, PLASTICS table listing chemical and plastic companies.

CINEMA, THEATRE AND TV table listing entertainment companies.

DRAPERY AND STORES table listing retail and clothing companies.

AMERICANS table listing American companies and their share prices.

DRAPERY AND STORES - Continued table listing more retail companies.

ELECTRICAL AND RADIO table listing electrical and electronics companies.

ENGINEERING, MACHINE TOOLS table listing engineering and machinery companies.

ENGINEERING, MACHINE TOOLS - Continued table listing more engineering companies.

FOOD, GROCERIES, ETC. table listing food and grocery companies.

ENGINEERING - Continued table listing more engineering companies.

FOOD, GROCERIES, ETC. - Continued table listing more food companies.

HOTELS AND CATERERS table listing hotel and catering companies.

HOTELS AND CATERERS - Continued table listing more hotel companies.

INDUSTRIALS table listing various industrial companies.

Large table listing various industrial companies and their share prices, continuing from the previous sections.

Handwritten text at the bottom of the page.

Journalists

INDUSTRIALS - Continued
Table listing various industrial stocks with columns for Stock, Price, and Change.

MOTORS, AIRCRAFT TRUCKS
Table listing motor and aircraft stocks with columns for Stock, Price, and Change.

PROPERTY - Continued
Table listing property-related stocks with columns for Stock, Price, and Change.

TRUSTS - Continued
Table listing trust-related stocks with columns for Stock, Price, and Change.

TRUSTS - Continued
Table listing trust-related stocks with columns for Stock, Price, and Change.

NEW JAPAN SECURITIES
Tokyo, Japan
London Branch Frankfurt Office
Tel. 248-6681 Tel. 590928

Commercial Vehicles
Table listing commercial vehicle stocks with columns for Stock, Price, and Change.

COMPONENTS
Table listing component stocks with columns for Stock, Price, and Change.

SHIPBUILDERS, REPAIRERS
Table listing shipbuilding and repairer stocks with columns for Stock, Price, and Change.

SHIPPING
Table listing shipping stocks with columns for Stock, Price, and Change.

OILS
Table listing oil stocks with columns for Stock, Price, and Change.

MINES - Continued
Table listing mine stocks with columns for Stock, Price, and Change.

AUSTRALIAN
Table listing Australian stocks with columns for Stock, Price, and Change.

TINS
Table listing tin stocks with columns for Stock, Price, and Change.

INSURANCE
Table listing insurance stocks with columns for Stock, Price, and Change.

PROPERTY
Table listing property stocks with columns for Stock, Price, and Change.

PROPERTY - Continued
Table listing property-related stocks with columns for Stock, Price, and Change.

TRUSTS - Continued
Table listing trust-related stocks with columns for Stock, Price, and Change.

TRUSTS - Continued
Table listing trust-related stocks with columns for Stock, Price, and Change.

COPPER
Table listing copper stocks with columns for Stock, Price, and Change.

MISCELLANEOUS
Table listing miscellaneous stocks with columns for Stock, Price, and Change.

RUBBERS AND SISALS
Table listing rubber and sisal stocks with columns for Stock, Price, and Change.

TEAS
Table listing tea stocks with columns for Stock, Price, and Change.

MINES
Table listing mine stocks with columns for Stock, Price, and Change.

MINES
Table listing mine stocks with columns for Stock, Price, and Change.

MINES
Table listing mine stocks with columns for Stock, Price, and Change.

MINES
Table listing mine stocks with columns for Stock, Price, and Change.

MINES
Table listing mine stocks with columns for Stock, Price, and Change.

PAPER, PRINTING, ADVERTISING
Table listing paper, printing, and advertising stocks with columns for Stock, Price, and Change.

TEXTILES
Table listing textile stocks with columns for Stock, Price, and Change.

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NOTES
Unless otherwise indicated, prices and dividends are in pence and denominated in £25. Estimated dividends are in pence and cover a period of 12 months from the date of issue.

REGIONAL MARKETS
Table listing regional market data with columns for Stock, Price, and Change.

A selection of Options traded is given on the London Stock Exchange Report page

